

BYLAWS
OF
BUCK MOUNTAIN PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I.

GENERAL

SECTION 1. PURPOSES. The corporation is organized to provide for the maintenance, preservation and architectural control of the common areas and to promote the health, safety and welfare of the residents within the Buck Mountain Subdivision located in Jobs Cabin Township, Wilkes County, North Carolina. The corporation shall also have those powers to do any lawful act which are consistent and in accordance with Chapter 55A of the North Carolina General Statutes, and specifically be empowered to do all those things enumerated in North Carolina General Statute §55A-15, however, such citation is not intended to be exclusive.

SECTION 2. MEMBERS. There shall be one (1) class of member. Every person or entity who is a record owner of a fee simple interest in any tract or dwelling unit located within Buck Mountain Subdivision shall be a member of the Association. Provided, however, that any such person or entity to hold such interest merely as a security for the performance of any obligation shall not be a member. Any member shall be entitled to one (1) vote for each dwelling unit or for each tract which said member owns. When more than one (1) person or entity holds an interest in any tract or dwelling unit, all such persons or entities shall be members. The vote for such tract or dwelling unit shall be exercised as they determine, but in no event, shall more than one vote be cast with respect to any tract or dwelling unit, nor shall any vote be fractionalized.

Membership in the Association and the acts of the members, are subject to restrictions sufficient to provide order and facilitate reasonable opportunities for maximum, and most enjoyable, uses of the common facilities.

Sanctions or suspension of privileges and the levying of liquidated damages are provided to enforce the restrictions.

Membership shall be appurtenant to and may not be separated from ownership of any tract, and shall be transferred automatically when the owner conveys, devises, gives or otherwise transfers his tract, even though such conveyance, devise or gift does not make mention of the membership rights set forth hereunder.

Although such membership is not intended to apply to those persons or entities who hold an interest in any tract merely as security for the performance of an obligation to pay money (mortgages or deeds of trust), if such secured party should realize upon his security and become the fee owner of a tract, he and his assigns of such ownership will then be subject to all the requirements, responsibilities, and benefits imposed upon owners of tracts within Buck Mountain Subdivision, including those provisions with the respect to the payment of annual charges. To that end, the Board of Directors may establish reasonable rules relating to the proof of ownership of a tract in Buck Mountain Subdivision.

SECTION 3. DISSOLUTION OR LIQUIDATION. The corporation may be dissolved with the assent given in writing and signed by not less than two (2/3) thirds of each class of members. Upon dissolution of the corporation other than incident to a merger or consolidation, the assets of the corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE II.

OFFICES

The corporation shall have and continuously maintain in Wilkes County, North Carolina, a registered office and a registered agent, whose office is identical with such registered office, and may have other offices within or without the County of Wilkes as the Board of Directors may from time to time determine.

ARTICLE III.

BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. The affairs of the corporation will be managed by its Board of Directors, and all corporate powers shall be exercised by the Board of Directors, except as otherwise expressly required by the Articles of Incorporation, these Bylaws, or by law. The Directors need not be members of the corporation (association).

SECTION 2. NUMBER, TENURE AND OUALIFICATIONS. The number of directors shall be seven (7). The number of Directors may be increased or decreased from time to time by amendment to these Bylaws, but in no event shall the number of Directors be less than two (2). Each Director shall hold office until his or her successor shall have been elected or qualified. The Directors constituting the initial Board of Directors shall be specified in the Articles of Incorporation and shall serve as Directors until they resign, die, or are unable to serve for any reason whatsoever, or until their successors are elected.

The members of the Board shall be divided into three (3) classes, and no class shall ever contain more than one (1) Director more than all other classes. At each annual meeting, as each Director in the class comes up for election, he or she shall have his successor elected for a period of three (3) years. Each Director shall be elected by a majority vote of the members present at the annual meeting, assuming the presence of a quorum of such members.

Vacancies in the Board of Directors caused by any reason, except the removal of a Director by vote of the membership, shall be filled for the

unexpired term of such vacancy by a vote of the majority of the remaining Directors, even though less than a quorum, at any meeting of the Board of Directors.

There shall be no requirement that an individual be a member of the Association as a prerequisite for serving on the Board of Directors. Any Director resigning his or her seat on the Board of Directors shall not be qualified to sit on the Board of Directors until after the expiration of the term of the seat resigned.

SECTION 3. REGULAR MEETINGS. The regular annual meeting of the Board of Directors shall be held without other notice than by this Bylaw on the Saturday in the month of May immediately preceding Memorial Day each year. The Board of Directors may provide by resolution the time and place, within the State of North Carolina, for the holding of additional regular meetings of the Board without other notice than such resolution. In any event, the Board of Directors shall meet at least annually.

All regular meetings of the Board of Directors and authorized committees shall be considered open meetings, and attendance by members shall be encouraged. Members in good standing shall be permitted to sign in at the beginning of any open meeting and address the Board or its committee for a minimum of ten (10) minutes during the time allotted for the "New Business" section of the meeting agenda, notwithstanding the member's right to ask the Board or committee in advance to calendar an item on the agenda should more time be required to hear the item. To encourage attendance and communication, all such meetings should be held at the Buck Mountain Community Center located at 2949 Staghorn Road, Purllear, NC whenever possible, or at such other location providing similar access as directed by the President or the Board of Directors. If the Board of Directors determines that any meeting of the Board or one of its committees shall require that such meeting be closed from attendance by other than Directors or committee

members, notice shall be communicated to members in advance to the extent possible via the association's website.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President or any quorum of Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without, the State of North Carolina, as the place for holding any special meetings of the Board called by them.

SECTION 5. NOTICE. Notice of any special meeting of the Board of Directors shall be given at least three (3) days prior thereto by written notice delivered personally, sent by postal mail or telegram, or sent via electronic mail to each Director at his address as shown by the records of the corporation. If sent by postal mail, such notice shall be deemed to be delivered three (3) business days after being deposited in the United States Mail in a sealed envelope so addressed, with the postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If notice be given by electronic mail, such notice shall be deemed to be delivered when the electronic message is sent. Any Director may waive notice of any meeting. The attendance of any Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

SECTION 6. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that if less than a majority of the Directors is present at any given meeting, the meeting may be adjourned from time to time without further notice.

SECTION 7. MANNER OF ACTION. The act of a majority of the Directors present at a meeting in which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these Bylaws.

SECTION 8. VACANCIES. Any vacancy occurring in the Board of Directors, including a vacancy resulting from an increase in number, may be filled by the affirmative vote of a majority of the remaining Directors less than a quorum of the Board of Directors.

SECTION 9. COMPENSATION. Directors shall receive as compensation for their services rendered hereunder such sums as may from time to time be approved by a majority of the Board of Directors, and may receive payment or reimbursement for any and all expenses incurred by the Directors in connection with the rendering of services to the corporation.

SECTION 10. VOLUNTARY RETIREMENT. Any Director may retire at any time by notifying the President or the Secretary in writing. Such retirement shall take effect at the time specified in such notice.

SECTION 11. ACTION WITHOUT MEETING. Any action which is required to be taken, or which may be taken, at a meeting of the Directors, may be taken without a meeting if a consent in writing setting forth the actions so taken, shall be signed by all of the Directors. Such consent shall have the same force and effect as a unanimous vote.

SECTION 12. NOMINATIONS. Nominations for the Board of Directors will be accepted in writing or via email if delivered to the President, Vice-President or Secretary of the association on or before April 15 for elections to be held in May. Incumbents must provide written notice to the President by the deadline if they choose to be candidates for re-election.

The Board shall ask each nominee is asked to provide a brief resume (preferably with a recent photo) that can be posted on the POA website and distributed to POA members prior to the annual meeting. The Board shall also

confirm with each nominee that they are willing and able to serve for a term of three years if elected to the position, and that the nominee understands the responsibilities associated with serving on the Board of Directors. The Board may also request that nominees provide written answers to questions relating to issues that face the community, experience and qualifications of the candidate, the nominee's viewpoint on key concerns voiced by the community, and the candidate's perspective on the role of the Board in leading the community.

The nominee shall have no duty to provide a resume or to answer the questionnaire. However, it is felt that these tools are invaluable to members in assessing a nominee's suitability for the position. The above information should accompany the written nomination in order to afford the Board the opportunity to properly distribute the information via the website and the annual meeting notice sent to members. The Board is under no obligation to distribute information that is not received on or before the April 15 deadline. The Board reserves the right to edit submissions that include profanity or are deemed to be vulgar, unprofessional or offensive. In such cases, a notice that content has been edited shall be attached to the distributed information. The Board may also reasonably limit the length of responses or submissions and will provide nominees the opportunity to edit the content under these circumstances.

Nominations will not be accepted at the annual meeting, or after the above deadline. This nominations process is intended to provide POA members with a chance to better acquaint themselves with candidates and their qualifications. It ensures that information about all candidates can be distributed prior to the elections, and that those members unable to attend the annual meeting who desire to vote electronically have an opportunity to get involved, talk personally with candidates prior to the elections if necessary, and cast their vote based on an informed awareness.

Prior to the Annual Meeting, the Board of Directors will post the resume supplied by each candidate and answers to the Board questionnaire (if any) on the Association's website. Once posted, members who have registered their email addresses with the association will be notified that the information is available. The Board shall make all efforts to have this completed on or before April 30.

On or before May 1, the Board will mail a Notice of Annual Meeting to all members of the association on record as of April 30. If this date falls on a Saturday or Sunday, the record date shall be moved to the previous Friday. The Notice of Annual Meeting will include, at a minimum: (a) the list of all candidates eligible to participate in the upcoming elections; (b) notice that detailed candidate information is available on the Association's website; (c) notice that members may obtain web access at their local public library free of charge; (d) notice that members may contact the Member Hotline and request that the candidate's information be sent to them via the U.S. mail; (e) a proxy card that may be used at the Annual Meeting; (f) instructions relating to voting on-line.

SECTION 13. COMMITTEES. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of as many persons as may be directed in such resolution and shall have at least one (1) Director per committee, which committees, to the extent provided in said resolution or in the Bylaws of the corporation, shall exercise the authority of the Board of Directors in the management of the corporation. Other committees not having or exercising the authority of the Board of Directors in management of the corporation may be designated and appointed by resolution adopted by a majority of the Directors present at a meeting in which a quorum is present.

The Road Advisory Committee, Finance Committee, and Parks & Recreation Committee defined below shall meet at least once in each calendar quarter. Minutes from the meeting are not required. However, each committee

shall publish written reports at least once per calendar quarter subsequent to the required committee meeting. Committee chairpersons shall submit an update to this report at least three (3) days prior to the next scheduled planning meeting of the Board of Directors. In an effort to keep Board meetings focused on the most critical issues and business, these written updates should include all topics that are informational in nature so that those which do not require further action or discussion by the Board need not be placed on the meeting agenda since they are presented in the report and can be reviewed by all Board members. The report should be in a format and with minimum content as established by the President or Board of Directors, and shall be published via the association's website once approved by the Board of Directors at a subsequent meeting.

These committee meetings should be open to attendance by any member of the community and should be held at the Buck Mountain Community Center or other similar facility as designated by the President or Board of Directors.

SECTION 14. ROADS ADVISORY COMMITTEE. The Board of Directors shall appoint on an annual basis a Roads Advisory Committee, with at least three (3) Directors and one (1) at-large member. This committee shall be responsible for oversight of the maintenance of both paved and graveled roadways, drainage systems, and snow and ice removal within the community and any such other related duties and responsibilities as shall be assigned from time to time by the President or the Board of Directors. The committee shall submit its reports, plans and budgeting recommendations for review, modification, and approval in accordance with guidelines and schedules established from time to time by the Board of Directors. The Roads Advisory Committee shall be chaired a Director, as appointed by the Board of Directors. The President of the corporation shall not serve as a chairperson of the Roads Committee unless unanimously appointed by all members of the Board of Directors.

SECTION 15. FINANCE COMMITTEE. The Board of Directors shall appoint on an annual basis at least one (1) at-large member to serve on the Financial Committee along with the Vice-President and Treasurer. The Treasurer shall recommend to the Board of Directors the member(s) of the Association who are to serve on the Financial Committee. The Board shall confirm by appointment such recommendation by majority vote of the Board on or before January 15 of each calendar year. The appointed members of the Financial Committee shall have business and/or accounting experience sufficient to provide a reasonable review of the accounting practices of the Association.

The Finance Committee shall be responsible for reviewing the financials of the Association and any such other related duties and responsibilities as shall be assigned from time to time by the President or the Board of Directors. The committee shall submit its reports, plans and budgeting recommendations for review, modification, and approval in accordance with guidelines and schedules established from time to time by the Board of Directors. The Finance Committee shall be chaired by the Treasurer.

The Financial Committee shall conduct an annual review of the financial transactions of the Association. The committee shall inspect the financial records of the Association, including bank statements, contracts, mortgage statements, fiscal budgets, and similar information to ascertain the reliability of the reported financials. The Financial Committee shall have the authority and responsibility to request information from any Director, member, or vendor of the Association regarding the financial transactions under the committee's review.

The Financial Committee shall issue by February 15 of each calendar year a report to the Board of Directors on the financial condition of the Association and an opinion as to the condition and reliability of the reviewed financial transactions. Upon review of the Financial Review Committee's

report by the Board of Directors the Board shall issue the report to members of the Association no later than March 15 of each calendar year.

SECTION 16. PARKS & RECREATION COMMITTEE. The Board of Directors shall appoint on an annual basis a Parks & Recreation Committee made up of at least one (1) Director and at least one (1) at-large member. This committee shall be responsible for managing the parks, non-road common areas and recreational facilities of the association and any such other related duties and responsibilities as shall be assigned from time to time by the President or the Board of Directors. The committee shall submit its reports, plans and budgeting recommendations for review, modification, and approval in accordance with guidelines and schedules established from time to time by the Board of Directors. The Parks & Recreation Committee shall be chaired by an appointed Director as determined by the Board of Directors.

ARTICLE IV.

MEETING OF MEMBERS

SECTION 1. PLACE OF MEETING. All meetings of members shall be held at the Buck Mountain Community Center, 2949 Staghorn Road, Purlear, NC, or at such other place, either within or without the State of North Carolina as shall in each case be fixed by the Board of Directors and designated into the notice of meeting.

SECTION 2. ANNUAL MEETINGS. The annual meeting of members shall be held on the Saturday in the month of May immediately preceding Memorial Day each year.

SECTION 3. SUBSTITUTE ANNUAL MEETING. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 4. of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

SECTION 4. SPECIAL MEETINGS. Special meetings of the members may be called at any time by the Board of Directors, and shall be called pursuant to the written request of the holders of not less than twenty five (25%) percent of all votes entitled to be cast on any issue proposed to be considered at such meeting.

SECTION 5. NOTICE OF MEETING. Written notice stating the date, time, and place of the meeting shall be given not less than ten (10) nor more than thirty (30) days for the date of any members' meeting, either by personal delivery, or by telegraph, teletype, facsimile transmission, or other form of wire or wireless communication, or by mail or by private carrier, by and at the direction of the Board of Directors to each member entitled to vote at such meeting; provided, that such notice must be given to all members with respect to any meeting in which a merger is to be considered, and in such other instances as required by law. If mailed, such notice shall be deemed to be effective when deposited in the United States Mail, correctly addressed to the member at the member's address as it appears on the current record of members of the corporation, with postage thereon prepaid.

In the case of a special meeting, the notice of meeting shall include a description of the purpose or purposes for which the meeting is called; but, in the case of an annual or substitute annual meeting, the notice of meeting need not include a description of the purpose or purposes for which the meeting is called unless such description is required by law.

When a meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment and if a new record date is not fixed for the adjourned meeting; but if a new record date is fixed for the adjourned meeting, notice of the adjourned meeting must be given as provided in this Section to persons who are members as of the new record date.

SECTION 6. WAIVER OF NOTICE. Any member may waive notice of any meeting before or after the meeting. The waiver must be in writing,

signed by the member, and delivered to the corporation for inclusion in the minutes or filing with the corporate records. A member's attendance, in person or by proxy or representative, at a meeting waives objection to lack of notice or defective notice of the meeting, unless the member or his proxy or representative at the beginning of the meeting objects to the holding of the meeting or transacting business at the meeting. Attendance also waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes in the meeting notice, unless the member, his proxy, or representative objects to considering the matter before it is voted upon.

SECTION 7. QUORUM. Members entitled to vote to take action on a matter may take action on that matter only if a quorum of the members exist. At any meeting called for the purpose of taking some action by the Association members, the presence in person, by proxy, or by electronic vote of members entitled to cast twenty (20%) percent of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and any number of members attending such subsequent meeting, so long as such number represents at least ten (10%) percent of all the outstanding votes shall constitute a quorum. No such subsequent meeting shall be held more than six (6) months following the scheduled date of the preceding meeting.

SECTION 8. PROXIES. Votes may be cast either in person or by one or more proxies authorized by written appointment of proxies signed by the member or his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, or after conveyance by the member of his tract. Proxies for members unable to attend meetings will be accepted only if they contain an original signature. No facsimile or electronic image of a signature will be permitted. Proxies for election of Directors must specifically indicate the names of the candidates for whom the votes are to be cast. Any appearance of alteration or addition to a proxy not deemed by the Board to be original in intent, or any proxy not containing the

original scheduled date of the meeting, shall constitute the proxy to be held invalid. Proxies must be physically received by the Board of Directors at least three (3) business days prior to the scheduled meeting date to permit certification.

SECTION 9. VOTING OF MEMBERS. Members may attend and may vote in person or by proxy executed in writing by a member. ~~The Board may permit electronic voting for election of Directors or voting on other concerns in a manner that reasonably ensures votes are cast individually by qualified members. Such votes shall be recorded in a database for verification purposes, and votes cast electronically must be available to individual voters for confirmation. The Board may close electronic voting with reasonable notice to permit certification and counting of electronic votes.~~ On-line voting for Directors shall be open for members of record at least one week prior to the scheduled election. Members may cast their vote by logging onto the POA website and providing the appropriate individual credentials, as they do for accessing account balance information and other members-only features of the site. Voting shall be opened at least seven days prior to the Annual Meeting. Members will be able to cast as many ballots as they have votes, and may vote these ballots only as a group when voting on-line. Once a member casts his or her ballot, the vote may not be changed or otherwise recast. "Write-in" votes are not permitted via on-line balloting, but can be accommodated in person or via proxy at the Annual Meeting. On-Line Voting will close at 11:59 P.M. on the day preceding the Annual Meeting to allow production of voter ballot cards for those members eligible to vote in person or via proxy at Annual Meeting and to ensure that no member is permitted to cast both an electronic ballot and a proxy or regular ballot at the meeting. If an attempt is made to vote multiple times, the Board may deem all such ballots to be invalid. Once On-Line voting is closed, the results shall be delivered in a sealed format to the President and Treasurer, or such other officers of the association as the Board may direct. The vote totals shall be listed by candidate. A detailed electronic voting

register shall be produced and delivered in a sealed envelope to the Board's attorney to be collected with ballot cards and proxies.

The Board may permit electronic voting for voting on other concerns in a similar manner that reasonably ensures votes are cast individually by qualified members.

SECTION 10. INFORMAL ACTION BY MEMBERS. Any action that is required or permitted to be taken at a meeting of the members may be taken without a meeting if one (1) or more written consents, describing the action so taken, shall be signed by all of the members who would be entitled to vote upon such action at a meeting, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

ARTICLE V.

OFFICERS

SECTION 1. OFFICERS. The officers of the corporation shall be a President, a Vice President, a Treasurer, and a Secretary. The Board of Directors may elect or appoint such other officers, including an Assistant Secretary or Assistant Treasurer, as it shall deem desirable with such officers to have the authority and perform duties the prescribed, from time to time, by the Board of Directors. Any two (2) or more offices may be held by the same person, but no officer may act in more than one capacity where action by two or more officers is required. Notwithstanding extreme circumstances as evidenced by a unanimous vote of the Board, the President shall have served as a Director for a minimum of six (6) months prior to taking office.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected annually by the Board of Directors at the regular or annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled and new offices created and

filled at any meeting of the Board of Directors. Each officer shall hold office until the successor shall have been duly elected and shall have been qualified.

SECTION 3. REMOVAL. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Such removal shall occur by a majority of the vote of Directors then in office and may be with or without cause.

SECTION 4. RESIGNATIONS. Any officer may resign at any time by giving written notice to the Board of Directors. Any such resignation shall take effect at the date of the receipt of such notice or any later time therein specified, and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. VACANCIES. A vacancy in any office because of death, resignation, or removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term of such vacant office.

SECTION 6. PRESIDENT. The President shall be the principal executive officer of the corporation and shall, in general, implement and supervise all of the business and affairs of the corporation, subject, however, to the control of the Board of Directors and of any duly authorized committee of Directors. In addition, the President shall perform such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 7. VICE PRESIDENT. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign with the Secretary or an Assistant Secretary any such documents which the President and Secretary might otherwise sign, and shall perform such other duties as

from time to time may be assigned to him by the President or Board of Directors.

SECTION 8. TREASURER. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation, receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with these Bylaws; and, in general, perform the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

SECTION 9. ASSISTANT TREASURERS. In the absence of the Treasurer or in the event of his death, inability, or refusal to act, the Assistant Treasurers in order of their length of service as such, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all of the powers and be subject to the all the restrictions upon the Treasurer. They shall perform such other duties as may be prescribed by the Treasurer, by the President, or by the Board of Directors.

SECTION 10. SECRETARY. The Secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with these Bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation; and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation is duly authorized in accordance with the provisions of these Bylaws; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

SECTION 11. ASSISTANT SECRETARIES. In the absence of the Secretary or in the event of his death, inability or refusal to act, the Assistant

Secretaries in order of their length of service as Assistant Secretary, unless otherwise determined by the Board of Directors, shall perform the duties of Secretary, and when so acting shall have all the powers of and be subject to all of the restrictions upon the Secretary. They shall perform such other duties as may be prescribed by the Secretary, by the President, or by the Board of Directors. Any Assistant Secretary may sign, with the President or a Vice President, such documents as may be required to be signed by the Secretary.

ARTICLE VI.

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. CONTRACTS AND OTHER DOCUMENTS. The Board of Directors, except as by law, the Articles of Incorporation, or these Bylaws may otherwise be required, may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument or document in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, LOANS, ETC. All checks, drafts, loans or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the corporation with a value of more than \$2,500 shall be signed by two Officers of the corporation. Instruments valued at \$2,500 or less shall be signed by an Officer, or by an accountant of the association duly appointed by the Board of Directors.

SECTION 3. DEPOSITS. All funds of the corporation shall be deposited to the credit of the corporation in such banks, trusts companies or other depositories as the Board of Directors may from time to time select.

SECTION 4. GIFTS. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purpose, or for any special purpose, of the corporation.

SECTION 4. RELATED PARTY TRANSACTIONS. Understanding that there may be times when members of the Association are able to offer products and services to the Association at market or below market prices, and/or with significant benefits to the community, the Board should consider these products and services without prejudice. If a member offering such services also serves as a Director or is related to or has a special personal or business relationship with any member of the Board of Directors, a potential for a conflict of interest may exist. Any transactions conducted with the Association shall be considered “related-party” transactions for the purpose of this policy. Any related-party contracts representing more than one thousand dollars (\$1,000) in annual aggregate business must be executed only in writing and with at least a seventy-five percent (75%) affirmative vote of the Board of Directors, excluding the vote of any Director who might represent a conflict of interest.

ARTICLE VII.

BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors, and shall keep at its registered office a record giving the name and addresses of the Board of Directors, together with a complete membership roll of its members. All books and records of the corporation may be inspected by any Director, his agent or attorney, or any member, for any proper purpose at any reasonable time during regular business hours.

The association shall maintain a website and publish regular financial updates which contain relevant financial data including, but not limited to a balance sheet, profit and loss versus annual operating budget, and a summary of accounts receivable. The website must require authentication for access by members to financial or any key information which in the sole determination of the Board of Directors should be held from public view.

ARTICLE VIII.

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each calendar year.

ARTICLE IX.

SEAL

The Board of Directors shall provide a corporate seal which shall have thereon the name of the corporation and the word "Seal." Such seal, as impressed on the margin hereof, is hereby adopted as the Seal of the corporation.

ARTICLE X.

WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or by the Nonprofit Corporation Act of the State of North Carolina, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated herein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI.

AMENDMENT TO BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority vote of the Board of Directors present at any regular or special meeting. However, these Bylaws may not be amended in any way which would be in violation of the law or which would result in the corporation losing its nonprofit status.

ARTICLE XII.

INDEMNIFICATION

Any person who at any time serves or has served as a Director of the corporation, or who, while serving as a Director of the corporation, serves or has served, at the request of the corporation, as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, or is a trustee or administrator under an employee benefit plan, shall have a right to be indemnified by the corporation to the fullest extent permitted by law against (a) reasonable expenses, including attorney's fees, incurred by him in connection with any threatened, pending or completed civil, criminal, administrative, investigative, or arbitrative action, suit, or proceeding (and any appeal therein), whether or not brought by or on behalf of the corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine (including an excise tax assessed with respect to an employee benefit plan), penalty, or settlement for which he may have become liable in any such action, suit, or proceeding.

The Board of Directors of the corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification as required by this Bylaw, including, without limitation, making a determination that indemnification is permissible in the circumstances in a good faith evaluation of the manner in which the claimant for indemnity acted, and of the reasonable amount of indemnity due him. The Board of Directors may appoint a committee or special council to make such determination and evaluation. To the extent needed, the Board shall give notice to, and obtain approval by, the members of the corporation for any decision to indemnify, however, these Bylaws do not specifically require such approval by the members.

Any person who at any time after the adoption of this Bylaw serves or has served in the aforesaid capacity for or on behalf of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration

for, the right of indemnification provided herein. Such rights shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

ARTICLE XIII.

GENERAL PROVISIONS

SECTION 1. DEFINITION. Unless the context otherwise requires, terms used in these Bylaws shall have the meanings assigned to them by Chapter 55A of the North Carolina General Statutes as the same currently exist.

SECTION 2. DESIGNATIONS. Throughout these Bylaws the use of the word “he” shall include the masculine and feminine.

ARTICLE XIV.

POLICIES & GUIDELINES

SECTION 1. SECURITY ACCESS. All members of the Property Owners Association are equally obligated to protect and preserve the safety, security and the reputation of the community. As such, they shall not disclose to the general public security codes provided to them or information regarding security systems employed to protect association property. It is understood that members may share security codes with family members and guests visiting their properties, but shall not provide such security codes without specific need and understanding to whom such access is being granted.

SECTION 2. SAFETY COORDINATOR. The Board of Directors shall appoint on an annual basis a Safety Coordinator. This position shall be responsible for coordinating the security and fire prevention assets of the community and any such other related duties and responsibilities as shall be assigned from time to time by the President or the Board of Directors. The Safety Coordinator shall submit its reports, plans and budgeting recommendations for review, modification, and approval in accordance with guidelines and schedules established from time to time by the Board of Directors. It shall not be a requirement that the Safety Coordinator be a member or a member of the Board of Directors

SECTION 3. MINIMUM ROAD STANDARD. The association shall not accept the responsibility for any new section of roadway added to the development after January 16, 2016, or undertake any repair, upgrade or maintenance of such road segment, unless such roadway meets or exceeds the minimum standards as established from time to time by the North Carolina Department of Transportation for public access roads. In establishing whether such sections to be added meet this criteria, the Board of Directors shall seek a certified opinion from a qualified engineering firm or professional and the Board of Directors shall have the sole authority to make such final determination of eligibility under this section, the purpose of which is to

ensure the safety of association members and to ensure the costs of repair, upgrade or maintenance of roads is not unfairly or unreasonably thrust upon the association and its membership.

SECTION 4. LIMITATIONS ON DUES INCREASE. The Board of Directors shall not increase the annual dues by more than ten percent (10%) from the previous calendar year without a majority vote of membership in attendance at a meeting where the annual dues increase is a calendared item on the agenda. Vote by proxy or electronic voting shall also be accepted when seeking approval for a dues increase in excess of the above limit.

SECTION 5. LATE CHARGES. A late fee shall be assessed on all unpaid dues in the amount of twenty dollars (\$25.00). The late fee will be assessed for dues unpaid as of April 1 each year or at such time as a payment becomes 90 days past due.

A late notice fee of twenty dollars (\$20) will be assessed on all notices sent via the postal service for the purposes of collecting member accounts which are past due.

Interest will accrue on all unpaid amounts in the amount of one and one-half percent (1.5%) per month, or the maximum amount allowed by law if less. This interest will be assessed against each lot based on the charges for that lot which remain unpaid. This interest will be assessed retroactively to the due date on February 15 for all current-year assessments, or 30 days after any other assessment remains unpaid.

A minimum charge of one hundred twenty five (\$125) will be assessed in association with filing a lien against a property for charges which remain unpaid.

All payment arrangements and rebating of penalties, interest or collections charges shall require the approval of the Treasurer. If such payment arrangements or rebates total more than five hundred dollars (\$500), the President must also authorize the arrangement or rebate. The authorization

in all cases must be made in writing or by electronic mail. Rebates of accumulated interest or penalties shall not be made for charges incurred more than ninety (90) days prior to granting the rebate without the authorization of the majority of the Board of Directors.

SECTION 6. ANNUAL REVIEW. The Board shall hire a third-party to conduct a review of the association's financials at least once every two (2) fiscal years.