

BYLAWS OF
PECAN GROVE HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I

Offices

Section 1. Name: The name of the corporation is PECAN GROVE HOMEOWNER'S ASSOCIATION, INC., hereinafter referred to as the "Association".

Section 2. Principal Office: The principal office of the Corporation shall be located in Craven County, North Carolina.

Section 3. Registered Office: The registered office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

ARTICLE II

Definitions

Section 1. "Association" shall mean and refer to PECAN GROVE HOMEOWNER'S ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to a numbered plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to COASTAL PIEDMONT DEVELOPERS, LLC, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Register of Deeds of Johnston County, North Carolina.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

Meeting of Members

Section 1. Place of Meeting: All meetings of members shall be held at the principal office of the Corporation or at such other place in Johnston County, North Carolina, as shall be designated in the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.

Section 2. Annual Meetings: The annual meeting of members shall be held at such place in Johnston County, North Carolina, determined by the President, not a legal holiday, for the transaction of such business as properly may be brought before the meeting.

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 President, Secretary, or Board of Directors of the Corporation, or upon the written request of the members who are entitled to vote one-fourth of all of the votes of the Class A membership.

Section 5. Notice of Meetings: Written or printed notice stating the time, place, day, and hour of the meeting shall be delivered not less than fifteen (15) nor more than fifty

(50) days before the date thereof, either personally or by United States Postal Service, by or at the direction of the President, Secretary, or other person calling the meeting, to each member of record of the Corporation. Notice through the United States Postal Service shall be deemed given upon the mailing of same.

In case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted unless it is a matter upon which the vote of members is expressly required by the provisions of the North Carolina Non-Profit Corporation Act. In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

Section 6. Voting Lists: A voting list shall not be required to be prepared if the record of members actually presented at the meeting shows in alphabetical order or by alphabetical index, the name of each member with his address, the effective date of each membership, and the number of votes to which each such member is entitled.

Section 7. Quorum: Members of the Corporation holding Fifteen (15%) percent of the total votes allotted to the members represented in person or by proxy or as otherwise set forth in the Declaration, shall constitute a quorum at meetings of the members. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. This procedure shall be continued until a quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

The members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum in attendance.

Section 8. Voting: Except for the election of directors as hereinafter provided, and except for other specific exceptions provided in the Declaration, the Articles, or these Bylaws, a majority of the votes of members entitled to be cast by the members present or represented by proxy, separately computed, on any matter at a meeting of members at which a quorum is present shall be the act of the members on the matter.

Voting on all matters except the election of directors, matters affecting dissolution of the Corporation, matters affecting the disbursement of insurance of eminent domain proceeds, or matters which according to the Articles or the Declaration require a vote greater than a majority shall be by voice vote or show of hands, unless, prior to the voting on any matter a demand for a ballot vote on such matter is made by any member present.

Section 9. Informal Action: Any action which may be taken at a meeting of the members may be taken without a meeting, if the consent, in writing, setting forth the actions so take, is signed by all of the members who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Corporation to be kept in the

Corporate Minute Book. Signatures may be obtained separately by facsimile or email, provided the action taken is sufficiently referenced in the facsimile or email.

ARTICLE IV

Directors

Section 1. General Powers: The business and affairs of the Corporation shall be managed by the Board of Directors or by such executive committees as the Board may established pursuant to the Declaration, the Articles, or these Bylaws.

Section 2. Number, Term and Qualifications: The number of directors of the Corporation shall be three. The term of office for each director shall be three years and such terms shall be staggered with one director being elected each year. Except for the initial directors, each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies. Any natural person may serve as a director. So long as the Declarant is entitled to select directors, the number of directors may not be increased.

Section 3. Appointment and Election of Directors: Except as provided in Section 6 of this Article, the directors shall be elected at the annual meeting of the members. Those persons who receive the highest number of votes, shall be deemed to have been elected. If any member so demands, election of directors shall be by secret ballot.

Section 4. Initial Directors and Term of Office: The initial Board of Directors and the expiration of their term of office shall be as follows:

Donald G. Lawrence – term expiring January 20, 2020

W. Amos Parker – term expiring January 20, 2020

Marsha G. Eddy – term expiring January 20, 2020

Section 5. Removal of Directors: Directors may be removed with or without cause as follows: (A) with regard to a director elected by the Declarant, that director may be removed by the Declarant; (B) with regard to directors elected by the members, that director may be removed by a vote of a number of members holding majority of the votes entitled to be voted at an election of directors. If any directors are so removed, new directors may be elected at the same time or at any subsequent meeting by the entity by whom the removed director was originally elected.

Section 6. Vacancies: A vacancy occurring in the Board of Directors may be filled by the Declarant if the vacating director was selected by the Declarant. Otherwise, the members shall fill such vacancy; but a vacancy created by an increase in the authorized number of directors shall be filled only by election at an annual meeting or at a special meeting of members called for that purpose.

Section 7. Chairman: There may be a chairman of the Board of Directors elected by the directors from their number at any meeting of the board. The chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the board.

Section 8. Compensation: The directors shall not compensate directors for their services as such but may provide for the payment of all expenses incurred by directors in attending regular and special meetings of the board.

Section 9. Executive Committee: The Board of Directors may designate two or more directors to constitute an executive committee to carry on the function of the Board of Directors by exercising all of the authority given said board.

ARTICLE V

Meetings of Directors

Section 1. Regular Meetings: The annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members. In addition, the Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings.

Section 2. Special Meetings: Special meetings of the Board of Directors may be called by or at the request of the President or any two directors.

Section 3. Notice of Meetings: Regular meetings of the Board of Directors may be held without notice.

The person or persons calling a special meeting of the Board of Directors shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

Section 4. Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 5. Manner of Acting: Except as otherwise provided by the Declaration, the Articles of Incorporation, or the Bylaws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6. Informal Action by Directors: Action taken by a majority of the directors without a meeting is nevertheless board action if consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the board,

whether done before or after the action so taken. Facsimile or email may be used to obtain necessary signatures of the Directors, provided sufficient reference to the action taken is within the facsimile or email.

ARTICLE VI

Officers

Section 1. Number: The officers of the Corporation shall consist of a President, a Vice President, a Secretary, and a Treasurer.

Section 2. Election and Term: The officers of the Corporation shall be elected by the directors at each annual meeting immediately after the directors are elected and shall serve for terms of one year. Each officer shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

All vacancies which may from time to time occur in any office may be filled by the Board of Directors and such appointed officers shall serve until the next succeeding annual meeting.

Section 3. Qualifications: The officers may be any natural person and need not be members. Provided, however, the President shall be a member of the Corporation.

Section 4. Removal: Any officer elected by the Board of Directors may be removed by the directors with or without cause.

Section 5. Compensation: The officers of the Corporation shall serve without compensation.

Section 6. President: The President shall, when present, preside at all meetings of members. He shall sign, with any other proper officer, certifications for membership of the Corporation and any deed, lease, mortgage, bond, contract or other instrument which may be lawfully executed on behalf of the Corporation, except where required or permitted by law to be otherwise signed and executed. In general, the President shall perform all duties incident to the office of President, and such other duties as may be prescribed by the Board of Directors from time to time.

Section 7. Vice Presidents: In the absence of the President or in the event of his death, inability or refusal to act, the Vice Presidents in the order of their length of service as 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, with the Secretary or an Assistant Secretary, may sign certificates for shares of the Corporation; and shall perform such other duties as from time to time may be assigned to him by the President or the Board of Directors.

Section 8. Secretary: The Secretary shall keep accurate records of the acts and proceedings of all meetings of members. He shall have general charge of the corporate books and records and of the corporate seal, and he shall affix the corporate seal to any lawfully executed instrument requiring it. He shall have general charge of the membership transfer books of the Corporation and shall keep, at the principal office of the Corporation, a record of members alphabetized as to name and showing the address of each member, and the percentage of ownership of the Corporation and the number of votes held by each. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the President for the Board of Directors.

Section 9. Treasurer: The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. He shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose; and he shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of its operations and of changes in surplus for such fiscal year, all in reasonable detail, to be made and filed at the registered or principal office of the Corporation within four months after the end of such fiscal year. The statement so filed shall be kept available for inspection by any member for a period of ten years; and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to any member upon his written request therefore. The Treasurer, in general, shall perform all duties incident to his office and such other duties as may be assigned to him from time to time by the President or by the Board of Directors.

ARTICLE VII

Membership, Certificates, and Transfer

Section 1. Membership: A person automatically shall become a member of the Corporation upon his acquisition of title to a lot in the subdivision and may become a member in no other manner. Provided, that in order to entitle the acquirer of title to a lot to become a member, such acquisition shall be in a manner consistent with the terms and restrictions regarding acquisitions contained in the Declaration, the Articles of Incorporation, and these Bylaws. Provided further, the Declarant shall be a member for each lot owned within the subdivision so long as the Declarant owns a lot within the subdivision, and shall have the rights set forth in the Declaration relating to voting.

Section 2. Application for Membership: Application for membership shall consist of presentation to the Corporation, on forms provided by the Corporation, notice that the applicant has acquired title to a lot. All applications shall automatically be approved by the Corporation if the acquisition of such title was in a manner consistent with the requirements set out herein.

Section 3. Transfer of Membership: Memberships are not transferable. Membership occurs only upon the occurrence of those events set out in this article. No member shall

have a property right in the Corporation nor any property right as a member in any membership certificate, if such certificates are issued.

Section 4. Suspension of Membership Rights: The membership rights of a member shall not be suspended so long as the person continues to hold title to a lot, is not in violation of any rule or regulation of the Declaration or contained in the Articles, and is not in arrears in payment of any assessment. Such rights as arise because of ownership of any particular lot automatically terminate upon transfer of the lot in a manner consistent with the restrictions contained in the Declaration and these Articles.

Section 5. Voting: Except for the Class B membership as provided for in the Declaration, each member shall be entitled to one vote for each lot owned. In the event more than one person owns a lot, they may assign the right to vote such membership as they determine but there shall be not more than one vote for such lot.

ARTICLE VIII

General Provisions

Waiver of Notice: Whenever any notice is required to be given to any member or director under the provisions of the North Carolina Non-Profit Corporate Act, or under the provisions of the Declaration, the Articles of Incorporation, or Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice whether before or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE IX

Duties of Directors

The Board of Directors of the Corporation shall have the duty to:

- (1) Keep or cause to be kept a record of all its acts and affairs and to provide a summarized statement thereof to the members at least fifteen (15) days before the date of the annual meeting;
- (2) Keep or cause to be kept a record of all the receipts and disbursements and to keep the record open for examination by any member at any reasonable time;
- (3) Cause to be prepared a statement detailing receipts and disbursements; and each year to present a report of receipts and disbursements to each member not less than fifteen (15) days before the date set for the annual meeting;
- (4) Keep or cause to be kept a record of all administrative rules and regulations adopted by the members;

- (5) Oversee, supervise, and set the compensation for all managers, officers, agents, employees, or other persons employed by the Corporation;
- (6) Enforce all rules, regulations, restrictions, covenants, conditions, reservations, easements and administrative rules and regulations as are contained in the Declaration, the Articles, these Bylaws, or the Administrative Rules and Regulations adopted by the members;
- (7) Cause to be recorded any liens arising because of the nonpayment of assessments; to foreclose such liens or bring actions at law to collect the amount of indebtedness; and to take such other and further action as is required or allowed by the Declaration, the Articles, or these Bylaws to enforce the rules, regulations, restrictions, covenants, conditions, reservations, and easements contained in the Declaration, the Articles, the Bylaws, or the Administrative Rules and Regulations;
- (8) Procure and maintain all insurance required by the Declaration, the Articles, or these Bylaws;
- (9) Maintain or cause to be maintained the storm water basins, entrance features, pond, landscaping, and such other Community use Areas as may be received from the Declarant from time to time as required by the Declaration, the Articles, or these Bylaws;
- (10) Take such other and further action as is necessary, required or deemed desirable by the Board of Directors to administer the subdivision in accordance with the Declaration and the Administrative Rules and Regulations.

ARTICLE X

Powers of Directors

The Board of Directors shall have the authority to:

- (1) Exercise for the Corporation, all powers, duties, and authority vested in or delegated to the Corporation by the Declaration, the Articles, or these Bylaws;
- (2) Employ professional management services, manager, independent contractors, landscapers, attorneys, accountants, bookkeepers, auditors, appraisers, janitors, and other personnel deemed necessary to administer the Corporation, and to prescribe their duties and agree on their compensation;
- (3) Establish such Lot owners' committees as they deem expedient and prescribe the duties and method of selection of the members of each such committee;
- (4) Do any other lawful act necessary, required or deemed desirable by the Board of Directors for the operation, management, and administration of the Corporation

according to the Declaration, the Articles, these Bylaws, or the Administrative Rules and Regulations of the Corporation, or the North Carolina Planned Community Act.

ARTICLE XI

Management

The ultimate responsibility for the management of the Subdivision shall be in the Board of Directors. Recognizing, however, that the directors are unlikely to be professionals in the management of a project of this scope, it is hereby provided that the Board of Directors may delegate their duties and discretions to a professional manager or to a professional management service.

ARTICLE XII

Annual Budget

At each annual meeting, the Directors shall adopt an annual budget for the twelve months next succeeding. Such budget shall be approved by the members. In setting the amount of the budget, the members shall consider the amounts necessary to pay the community expenses for the year and shall make provisions for extraordinary expenses and for payments to any contingency or replacement fund, whether or not designated as such.

Such budget shall be approved by the members. In the event the members fail to approve the budget adopted by the Directors, and the directors and members are unable to agree upon a budget, the annual budget for the previous year shall be deemed adopted by the directors and deemed approved by the members.

The total annual general assessment shall be equal to the Annual Budget adopted as herein provided, less any surplus remaining from previous years.

ARTICLE XIII

Record of Assessments

The initial general assessment shall be One Hundred (\$100.00) Dollars per year per lot which shall be payable on a pro-rata calendar year basis upon transfer of the lot from a builder to a home purchaser.

- (1) The Treasurer of the Corporation shall keep a record of levied and collected assessments including general and special, due and payable to the Corporation by any Lot owner.
- (2) Any person who desires to obtain a record of the assessments due and payable by any Lot owner, for any good and sufficient reason, including but not limited to the

examination of the title thereof in connection with a purchase, sale or financing, may obtain a copy of the assessments due and owing by any lot owner from the Treasurer.

(3) Upon written request signed by the owner of the lot or lots from which a certificate hereunder is requested, by the prospective purchaser of such lot or lots, or by the attorney of either, and it mailed to the Treasurer at the address of the Registered Agent of the Corporation last recorded in the Office of the Register of Deeds of Johnston County, North Carolina, and which request is accompanied by a check in the sum of \$3.00 made payable to the Corporation, the Treasurer shall furnish a certificate in writing signed on behalf of the Corporation, its successors or assigns, certifying either that all assessments levied by the Corporation on a specified lot or lots have been paid or enumerating therein all assessments and interest thereon which remain unpaid. Such certificate shall be conclusive evidence as to a lending or bona fide purchaser for value of payment of all assessments levied by the Corporation other than those enumerated therein as remaining unpaid.

(4) In the event that the request for a certificate pursuant to paragraph (3) above is mailed by certified mail, return receipt requested, and such request actually is received by the Treasurer, as evidenced by the return receipt therefore, the failure of the Corporation to furnish such certificate to the requesting party at the address stated in such written request by the Treasurer shall result in any such unpaid assessment being unenforceable against any lending or bona fide purchaser for value who shall act in reliance upon the failure of response by the Corporation.

(5) The Treasurer may delegate his duties under this Article to such assistants as he deems expedient.

(6) This Article shall not apply to any assessments for which a lien has been filed or a judgment has been obtained in accordance with the Deed of Restrictions.

ARTICLE XIV

Administrative Rules and Regulations

The Directors may adopt administrative rules and regulations consistent with the provisions of the Declaration, the Articles, and these Bylaws to govern the details of the administration of the Subdivision and to direct any officers and delegees in the performance of their duties and from time to time may amend any such administrative rules and regulations adopted. All such administrative rules and regulations shall be approved by the members. The administrative rules and regulations shall be kept by the Secretary in a book separate from these Bylaws.

ARTICLE XV

Dissolution

The members and directors of the Association may adopt a plan of dissolution of the corporation provided the assets of the corporation are conveyed to another non-profit corporation authorized to do business in North Carolina, or to a governmental agency, either of which shall be required to retain the assets as part of the plan of dissolution for the purposes set forth in the Declaration of Covenants, By-Laws, and Articles of Organization of the corporation.

ARTICLE XVI

Net Earnings

No part of the net earnings of the corporation shall inure to any director or officer because of their position as such officer or director. The net earnings shall be expended on maintenance of the common property as defined in the Declaration and on such administrative expenses as approved by the Board of Directors.

ARTICLE XVII

Amendment

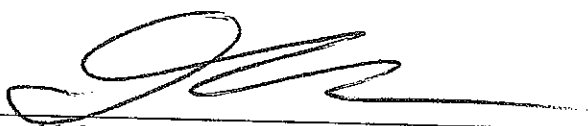
These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy and in accordance with its Articles of Incorporation.

ARTICLE XVIII

Definitions

The definitions of the words "Articles", "Bylaws", "Common Areas", "Corporation", "Developer", "Subdivision", "Townhouse", and "Lot", and as used herein shall be the same as in the Declaration, and "Corporation" as used herein is the same as "Association" as used in the Declaration.

These Bylaws adopted by the Declarant/Incorporator this 26 day of January, 2015.


Donald G. Lawrence, Incorporator
Manager, Coastal Piedmont Developers, LLC,
Declarant