

BY-LAWS OF NEUSE COLONY ASSOCIATION, INC.

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**ORIGINAL DOCUMENT
SCANNED AS RECEIVED**

BY-LAWS OF NEUSE COLONY ASSOCIATION, INC.

ARTICLE I: NAME AND LOCATION

The name of the corporation is Neuse Colony Association, Inc., hereinafter referred to as the "Association". The official postal address is 1612 Military Cutoff Road, Suite 108, Wilmington, North Carolina, as recorded with the state at the time of the incorporation. The principal office of the corporation shall be located at the business office of the current property management company of Association record located in North Carolina, but meetings of members and directors may be held at such places as designated by the Board of Directors.

ARTICLE II: DEFINITIONS

Section 1. "Association" shall mean and refer to Neuse Colony Association, Inc., including all sections of the development, lands, and common areas, as listed with the Johnston County Register of Deeds, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Plat Maps, Conditions and Restrictions, and Dedications as recorded at the Johnston County Register of Deeds or Johnston County Tax Office for real property.

Section 3. "Common Areas" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Areas include the streets, subdivision entrances, cul-de-sacs, walking trail (based on Easement), and drainage easements.

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

Section 5. "Owner" shall mean and refer to the recorded owner, whether one or more persons or entities, of the recorded title to any Lot which is apart of the Subdivision.

Section 6. "Declarant" shall mean and refer to the Board of Directors of the Neuse Colony Home Owner Association, Inc., their successors and assigns of the specific rights, herein conferred on the Declarant.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Dedications, Conditions and Restrictions, Amendments to Restrictive Covenants, and By-Laws applicable to the Properties recorded in the Office of Johnston County Registry of Deeds.

Section 8. "Member" shall mean and refer to those person(s) entitled to membership as provided in the Declaration of Covenants. Voting members must be in good standing at the time of the Annual meeting in order to cast your vote, or in good standing if a special meeting is called outside of the Annual

Meeting. In the event, the lot owner is not in good standing, the Board shall notify the lot owner and call for a meeting to settle debt or have voting privilege suspended until the lot owner is in good standing.

ARTICLE 11: MEETING OF MEMBERS

Section 1. Annual Meetings. Annual Meeting of the Members shall occur within the first month of each calendar year at a date and time proposed, discussed, and approved by the Quorum of members at the previous Annual Meeting. In the event of inclement weather, Association members will be notified by email of the cancellation and the Annual Meeting shall be held at the next available date in the following month, allowing for 15 days for notification.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the two-thirds of the members who are entitled to vote. Special Meetings may be called for to discuss a proposed change in Covenants, a proposed change in By-Laws, a Special Assessment for Capital Improvement or Repairs, Approval of the Association to enter in a Loan Contract, or other areas which shall be deemed by the Board as important to the Association. The defined Quorum at Special Meetings must be met for any voting process.

Section 3. Notice of Meetings. Written notice of each meeting, Annual or Quarterly, shall be given by, or at the direction of, the secretary, Management Firm, or Board Member authorized to call the meeting based on approval by Annual meeting Quorum or by the Board of Directors, general session.

- a. Notification of Annual Meeting shall be made by mailing a copy of such notice, at least 15 days before such meeting to each member entitled to vote there at, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Neuse Colony Covenants: Article IV: Section 5 deals with notification involving planned Increase of Annual Assessment beyond 5% and requires 30 day prior notice, if the vote is to occur at the Annual meeting, or 30 days prior to a Special Meeting to vote on Assessment Increase beyond 5%.
- b. Quarterly Board meeting notification shall be made 15 days prior to the meeting by use of electronic mail, detailing the location, date, time, and agenda.

Section 4. Quorum.

- a. Annual Meeting. The Quorum to conduct the annual meeting, elect board members, approve the minutes from the last annual meeting, propose any capital improvements, and to set the date of the next annual meeting shall be 50% of all lot owners in good standing, either in person or by signed proxy. Reference By-Laws: Article VII: Section 1 (b). There are 114 registered lots in the subdivision. The quorum is set forth by 50% of the members in good standing at the time of the annual meeting.
- b. Annual Meeting or Special Meeting with Proposed Amendment to Covenants, Special Assessment, Annual Assessment beyond 5%*, or Annexation of Additional Common Areas. The

Quorum for this meeting shall be $66 \frac{2}{3}$ of the 114 lot owners, either in person or by signed proxy. The number of votes needed to reach $66 \frac{2}{3}\%$ of 114 lot owners is 76 members.

*Per Neuse Colony Covenants Article IV: Section 5 Notice and Quorum for Any Action Authorized Under Section 3 "Section 3: Maximum Annual Assessment." Written notice of any meeting called for the purpose of taking any action authorized under Section 3 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all the votes of each class of membership shall constitute a quorum (60% of 114 is 69 persons or proxies). 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 ($1/2$) of the required quorum at the preceding meeting ($1/2$ of 60% or 30% of the 114 lots is 35 persons or proxies). No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

- c Board of Directors Quarterly Meeting. The Quorum of Board Quarterly Meeting shall be 3 board members present in person or on speaker phone, video-conference, or other electronic communication medium, to proceed with the meeting.
- d If, however, such quorum shall not be present or represented at any above meeting type, the President of the Association is entitled to adjourn the meeting from current time to another time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. Second meetings shall be 30 days after the initial called meeting.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. Proxies shall be good ONLY for the meeting listed on the proxy vote and end at the conclusion of the meeting on stated date. New proxies are required for second called meetings in the event a quorum was not present, or inclement weather delays the first called meeting. A general proxy, provided by the management company, may include the type of meeting, the date and time, and sunset clause for any second meeting date rescheduled for weather or quorum membership extending the viability of the proxy until the conclusion of business set forth in the original proxy. All proxies shall be in writing and filed with the Management Company. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his/her lot to new owners.

ARTICLE IV: BOARD OF DIRECTORS MEMBERS, SELECTION, AND TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (5) Directors, who need to be members of the Association in good standing.

Section 2. Term of Office. The term of each Board member shall be three years from the annual meeting at which their election occurs. Board members are not limited to the total number of terms that may serve but are only eligible to serve 2 consecutive terms (6 years) and will be eligible to serve again after a period of 3 years of non-service as a Board member. In the event a Board member resigns the position, prior to the conclusion of the three-year term, the Board may appoint a temporary Board member for the remainder of the year. The position vacated Board Member position shall be listed as a vacant position to be filled by the membership at the next annual meeting. The Board Position vacated by the Board

member may be filled by the remaining members of the Board ensuring a President, Vice President, Secretary and Treasurer. The Board member position may be filled by Board Appointment and shall serve for the unexpired term of the predecessor, to end at the first Annual Meeting following the vacancy when new Board Members are elected. If an existing Board member is elected to the vacant Board position, it will not affect the remaining Board members term of office, clarifying the distinction between Board member and Board position: Board members have a three year term while Board positions are elected by the Board members annually.

Section 3. Removal. Any Board member may be removed from the Board, with or without cause, by a majority vote of the members of the Association. The majority vote is defined as the majority of votes from members in good standing with a minimum of 50% quorum specifications.

ARTICLE V: NOMINATION AND ELECTION OF BOARD OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors membership shall be made by a Nominating Committee. Candidates for Nomination to the Annual Meeting Ballot shall be made to the current Board by the third quarterly meeting by the Nominating committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members, in good standing, of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as, it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Candidate Data and Basis for Candidacy. The candidate must be a property owner, in good standing, in the Neuse Colony Subdivision. The Nominating Committee will receive nominations from the Association, prepare the Candidate Data Sheets, provide the candidate(s) for nomination with Data Sheets to complete and return; and present the Data Sheets to the Board by the third Quarterly meeting. The Candidate Data sheets reflect the lot owned, time living in the subdivision, willingness to serve for the betterment of the entire Subdivision, and long term goals of their election to the Board. The candidate Data Sheet(s) will be distributed to residents before the annual meeting for the selection of new board member(s) to vacant position(s).

Section 3. Election of Board Members. Vacancies on the Board of Directors members are filled by membership vote on the candidates presented by the Nominating Committee, by the third quarterly meeting, at the called Annual Meeting. The candidate receiving the most votes at the annual meeting shall be elected to fill the position. In the event of multiple positions are vacant or up for to be filled, the candidates are placed on the Board based on the ranking of the votes received by the membership at the annual meeting vote. The election is for board membership not a specific position on the Board.

Section 4. Board of Director Ballots. The ballot shall represent the candidates presented to the Board of Directors by the Nominating Committee at/or by the third quarterly meeting. Ballots shall be printed on paper with candidate(s) listed in alphabetical order on the ballot. One ballot shall be presented to each

lot owner, in good standing, or the proxy holder of lots/residents, in good standing, at the time of check-in to the annual meeting.

Section 5. Counting of Votes for Board Position. The representative of the Management Company and the Association lawyer shall be present and tabulate the number of votes each candidate receives. The results shall be presented to the President during the annual meeting to announce the vote totals and the appointment to the Board of Directors.

ARTICLE VI: MEETINGS OF DIRECTORS

Section 1. Quarterly Meetings. Quarterly meetings of the Board of Directors shall be held once during each quarter (January-March, April-June, July-September, and October-December), at such place and hour as established and with membership notification by the Board of Directors. Quarterly Meetings shall consist of a Resident Session, a General Session, and a closed Executive Session.

Section 2. Special Meetings of the Board of Directors. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Board members, after not less than three (3) days notice to each Board member and Management Company. These meetings are deemed closed Executive meetings.

Section 3. Quorum at Board meetings. A majority of the number of directors (3 of 5 present, in person or by electronic communication) shall constitute a quorum for the transaction of Board governed business. Every act or decision done or made by a majority of the directors, present at a duly held meeting at which a quorum is present, shall be regarded as the act of the Board.

ARTICLE VII: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) Adopt and publishes rules and regulations governing the use of the Common Areas and facilities and, the personal conduct of the members and their guests thereon, and to establish penalties for the infraction, thereof;

(b) Suspend the voting rights and right to use of the recreational facilities (walking trails) of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration of Restrictive Covenants or Amendments to Restrictive Covenants;

d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) Employ a Property manager, independent contractor(s), or such other sub contractors as they deem necessary, and to prescribe their duties as it relates to the upkeep and management of Association, business, and common areas.

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

(a) Keep and maintain a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing;

(b) Supervise all officers and agents of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration of Covenants, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period.

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same unless there appears to be a justifiable reason for delay.

(4) Keep accurate records of lots consistently late in assessment payment and requesting for fees/penalties to be waived. If the Board sees a continuance of late assessments after the initial waiving of late fees, interests, and fines, the Board does not have to offer additional waivers to the lot owner.

d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment and ownership of property in the Subdivision;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association.

(g) Cause the Common Areas to be maintained.

ARTICLE VIII: OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president, a vice-president, a secretary, a treasurer, and an At-Large member such other officers as the Board may from time to

time by resolution create. These five members constitute the voting members of the Board. Additional Permanent Board positions require a majority vote by the Membership.

Section 2. Election of Officers. The election of Board members shall take place at each annual meeting of the members. At the first quarterly meeting following an annual meeting, Board officer positions are elected by the five members constituting the Board.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office until the next first quarterly meeting following the Annual Meeting unless he/she shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine. These shall include the following non-board voting positions: ARC Chairman, Trails Chairman, Beautification Committee, Nominating Committee, and Lake Association(s) representation.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board, following due process and notification of removal. Any officer may resign at any time by giving written notice to the Board, the President or Management Company. Such resignation shall take effect on the date of 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.

Section 6. Vacancies. A vacancy in board members any office may be filled by appointment, by the Board for the remainder of the year, with the vacancy listed as a vacant position for the vote at the Annual Meeting. The Board Position may be filled by the remaining board members in order to meet the requirements of By-Law Article VIII: Section 1 for the remainder of the Board Officer's term set to end at the first quarterly meeting following the next Annual meeting. The Board may operate with four Board Positions during this period, but may choose to fill the vacancy to the At-large position.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person: No person shall simultaneously hold more than one of any of the other offices except in the case of special offices, created pursuant to Section 4 of this Article (Special Appointment to other committees: ARC, Nominating, Beautification, Grounds, Trails, and Lake Associations).

Section 8. Duties. The duties of the officers are as follows:

President

- (a) The president shall preside at all meetings of the Board of Directors;
- (b) shall see that orders and resolutions of the Board are carried out;
- (c) shall sign all leases, mortgages, deeds and other written instruments and
- (d) Shall lead the Annual Meeting

Vice-President

- (a) 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
- (b) Shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

- (a) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members;
- (b) Shall perform such other duties as required by the Board.

Treasurer

- (a) cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and
- (b) shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting; and
- (c) deliver a copy of each to the members via mail prior to the Annual Meeting.

ARTICLE IX: COMMITTEES

The Association shall appoint an Architectural Review Committee, as provided in the Declaration of Covenants, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose. These Committees are not voting members of the Board, nor are they duly charged to carry out business on behalf of the Association. The various committees are to gather information, see that requirements are met, and make recommendations to the Board at or before each quarterly meeting of the Board of Directors. Committee volunteers are not limited to the total number of years or number of committees that they can serve but are only eligible to serve 6 consecutive years on any particular committee. Former committee volunteers will be eligible to serve again on the same committee after a period of 3 years of non-service.

ARTICLE X: BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration of Covenants, the Articles of Incorporation, The Amendments to the Restrictive Covenants and the By-Laws of the Association shall be available for inspection by any member, online at NeuseColonyHOA.com, at the principal office of the Association, where copies may be purchased at reasonable costs. Items listed in Executive Session of quarterly meeting, individual lot owner financial records, confidential resident information, and Summaries, Findings, and Decisions of Board Hearings will not be available for public viewing.

ARTICLE XI: ASSESSMENTS

As more fully provided in the Declaration of Covenants, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid in full, when due, shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6%) per cent per annum, and the

Association may bring an action of law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by non use of the Common Area or abandonment of his Lot.

ARTICLE XII: CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Neuse Colony Association, Inc. The Corporate Seal shall be housed with the Management Company of current record.

ARTICLE XIII: AMENDMENTS

Section 1 The By-Laws can be amended if changes/amendments/or deletions are presented to the Board by the third quarter Board meeting to be listed on the Agenda for the Duly Called Meeting or Annual Meeting. Information regarding the changes to the By-Laws will be mailed to all lot owners a minimum of 30 days prior to the Duly Called Meeting or Annual Meeting in which the changes to the By-laws are on the Agenda. The information mailed shall contain the person(s) requesting the amendment, the description of the amendment, reason for requesting the amendment, and how the amendment will better the Association and Community as a whole. The number of people present or by proxy to constitute a quorum for the purpose of a vote to amend the By-Laws is defined in Article III: Section IV of these By-Laws. These By-Laws 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.

Section 2 In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration of Covenants and these By-Laws, the Declaration of Covenants shall control.

Section 3 Any change in the Declaration of Covenants, Restrictive Covenants, or Amendments to Restrictive Covenants, must be presented to the Board at a quarterly meeting. Any change in the Declaration of Covenants, Restrictive Covenants, or Amendments to Restrictive Covenants, can only be voted on at a Duly Called Meeting (Special Meeting or Annual Meeting), where the change to the Declaration of Covenants, Restrictive Covenants, or Amendments to Restrictive Covenants is on the agenda of said meeting, and must have the majority votes for change as defined in the Covenants Article V: Section 3, (majority being a number greater than 76 lot owners, which constitutes the required Quorum). If such a change to the Covenants passes the initial vote of 76+ in favor of the amendment, and a Notary is/was not present at the meeting, the Neuse Colony HOA Board would be empowered to collect notarized signatures of paid HOA members within 90 days of the vote; otherwise the vote is null and void. Notification to lot owners will be made by mail in accordance of set forth notifications requirements, either in separate mailing or included with the notification of assessment and annual meeting mailing.

ARTICLE XIV: MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year.

IN WITNESS WHEREOF, we, being all of the Board of Directors of the Neuse Colony Association, Inc., have hereunto set our hand, this the date of 17th of July, 2023, in accordance with the requirements set forth in the original Bu-Laws in regards to membership quorum, membership vote, and presentation of By-Law changes and affirm this to be true.

Declarants:

President:

Billy Morris

Vice President:

[Signature]

Treasurer:

[Signature]

Secretary:

Diane J. Pearce

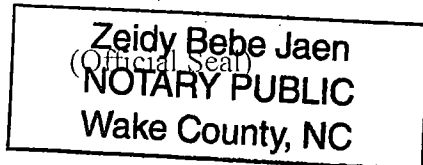
At-Large:

[Signature]

G.S. § 10B-41 NOTARIAL CERTIFICATE FOR ACKNOWLEDGMENT

Wake County, North Carolina

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document:

Billy MorrisDavid LennonDiane Pearcecraig hooksJimmy RoyalDate: 7-17-2013

Zeidy Bebe Jaen
Official Signature of Notary
Zeidy Bebe Jaen, Notary Public
Notary's printed or typed name

My commission expires: 3-1-2018