

BYLAWS

OF

WOODLAND HILLS SECTION 10 HOMEOWNERS' ASSOCIATION, INC.,

a North Carolina Nonprofit Corporation  
organized under the laws of the  
State of North Carolina

ARTICLE I.

*Identity*

These are the Bylaws of Woodland Hills Section 10 Homeowners' Association, Inc., a North Carolina nonprofit corporation (the "Association"), the Articles of Incorporation (the "Articles") of which have been filed in the Office of the North Carolina Secretary of State.

For purposes of these Bylaws, terms specifically defined in the Declaration of Covenants, Conditions and Restrictions for Woodland Hills Section 10 (the "Declaration") or in the North Carolina Planned CommLoty Act, Chapter 47F of the North Carolina General Statutes (the "Act") shall have the same meaning herein.

ARTICLE II.

*Qualifications and Responsibilities of Members*

2.1. **Members.** Each Lot Owner shall be a member of the Association and shall remain a member until he ceases to be a Lot Owner.

2.2. **More Than One Owner.** When there is more than one Lot Owner of a Lot, all such persons shall be members of the Association.

2.3. **Registration.** It shall be the duty of each Lot Owner to register his name and the number of his Lot with the Secretary of the Association. If a Lot Owner does not so register, the Association shall be under no obligation to recognize his membership.

2.4. **Prohibition of Assignment.** The interest of a member in the Association assets cannot be transferred or encumbered except as an appurtenance to his Lot.

ARTICLE III.

*Members' Meetings and Voting*

3.1. **Place.** Meetings of the members shall be held at the registered office of the Association or such other place as may be designated from time to time by the Board.

3.2. **Annual Meeting.** The members shall meet at least once each year as specified in the notice of such meeting given pursuant to Section 3.4. At each annual meeting, the members shall elect members of the Board ("Directors") and may transact any other business properly coming before them.

3.3. **Special Meetings.** Special meetings of the members may be called at any time by the President or by the Board and shall be called and held within thirty (30) days after written request therefor signed by members of the Association entitled to cast at least twenty percent (20%) of the total votes in the Association is delivered to any officer or Director of the Association. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

3.4. **Notices.** Notice of all meetings of the members stating the time and place and accompanied by a complete agenda thereof shall be given by the President or Secretary to each member. Such notice shall be in writing and shall be hand delivered or sent by United States mail to the members at the addresses of their respective Lots and to other addresses as any member may have designated to the President or Secretary at least twenty-one (21) days in advance of any annual or regularly scheduled meeting and at least seven (7) days in advance of any other meeting.

3.5. **Quorum; Adjournment if No Quorum.** A quorum shall consist of members present, in person or by proxy, entitled to cast at least ten percent (10%) of the total votes in the Association. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present.

3.6. **Votes; Association Shall Not Vote.** Each Lot shall have one vote. The vote allocated to a Lot may be cast by the Lot Owner of that Lot. When there is more than one Lot Owner of a Lot, the vote for that Lot shall be cast as they shall determine. The vote allocated to a Lot shall not be split but shall be voted as a single whole. When there is more than one Lot Owner of a Lot and said Lot Owners cannot agree on how the vote for that Lot shall be cast, the dispute shall be resolved by arbitration in accordance with Section 13.6 of the Declaration. The Association shall not be entitled to cast the vote allocated to any Lot owned by it. In the event the Declarant develops additional phases of the Development, then it shall be entitled to one vote per additional Lot built in each additional phase; the said vote shall be automatically authorized and awarded without action by the Board upon the Declarant recording a lawfully approved plat delineating the Lots contained within each such additional phase of the Development.

3.7. **Manner of Casting Votes.** Votes may be cast in person or by proxy. A proxy must be in writing, be signed by all Lot Owners of the Lot the votes of which are subject to the proxy, be given only to another member or to a Security Holder in that Lot, and be filed with the Secretary before the meeting. A proxy shall be valid until revoked in writing by all Lot Owners of such Lot.

3.8. **Required Votes.** All questions shall be decided by a majority of the votes cast on the question unless the provisions of the Act, other applicable law, the Declaration or these Bylaws require a greater vote.

3.9. **Action by Members Without Meeting.** Any action that may be taken at a meeting of the members may be taken without a meeting if such action is authorized in a writing setting forth the action taken and is signed by all members or if such action is taken in any other manner permitted by law.

3.10. **Prohibition of Cumulative Voting.** There shall be no cumulative voting.

#### ARTICLE IV.

##### *Directors*

4.1. **Number and Qualifications of Directors.** The Board shall consist of three (3), five (5) or seven (7) natural persons as determined at any annual meeting by the members. Each Director shall be a Lot Owner or the individual nominee of a Lot Owner which is other than an individual. The initial Board of Directors who shall serve from the date upon which the Declaration is recorded in the Office of the Register of Deeds of Iredell County, North Carolina, until the termination of any applicable Declarant Control Period provided by the Declaration and the qualification and election of their successors are as follows: **Michael L. Ryon, John West, and Kimberly Ryon.**

4.2. **Election of Directors.** At the first annual meeting of the members and at each subsequent annual meeting, the members shall elect the Directors by a majority of the votes cast in the election.

4.3. **Term.** The terms of the Directors shall be staggered so that at least one (1) but not more than three (3) Directors are elected at any one meeting and so that no Director's term is less than one (1) year nor more than three (3) years. The Directors shall establish rules to implement the provisions of this section. Once elected, an Director shall hold office until his successor has been duly elected and has qualified.

4.4. **Removal.** Any Director may be removed with or without cause by a vote of the members entitled to cast at least sixty percent (60%) of the total votes in the Association, and a successor may then be elected by the members to serve for the balance of the removed Director's term.

4.5. **Vacancies.** Any vacancy in the Board arising by death or resignation of an Director shall be filled by act of the remaining Directors, whether or not constituting a quorum, and any Director so elected shall serve for the unexpired term of his predecessor in office.

4.6. **Regular Meetings.** Regular meetings of the Board may be held at such time and place as shall be determined by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or telegraph, at least seventy-two (72) hours prior to the meeting.

4.7. **Special Meeting.** Special meetings of the Board may be called by the President and shall be called by the President or the Secretary and held within ten (10) days after written request therefor signed by two (2) Directors is delivered to any other Director or the President or the Secretary. Not less than seventy-two (72) hours' notice of such special meeting shall be given personally or by mail, telephone or telegraph to each Director; provided that in case the President or any Director determines that an emergency exists, a special meeting may be called by giving such notice as is possible under the circumstances. All notices of a special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

4.8. **Quorum; Adjournment if No Quorum.** A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present. The signing by a Director of the minutes of a meeting shall constitute the presence of such Director at that meeting for the purpose of determining a quorum.

4.9. **Manner of Acting.** Each Director shall be entitled to one (1) vote. The act of a majority of the Directors present at a meeting shall constitute the act of the Board unless the act of a greater number is required by the provisions of the Act, other applicable law, the Declaration or these Bylaws.

4.10. **Board Action Without Meeting.** Any action that may be taken at a meeting of the Board may be taken without a meeting if such action is authorized in a writing setting forth the action taken that is signed by all Directors.

4.11. **Compensation of Directors Restricted.** Directors shall receive no compensation for their services but may be paid for out-of-pocket expenses incurred in the performance of their duties as Directors.

4.12. **Powers and Duties of Board.** All of the powers and duties of the Association shall be exercised by the Board, including those existing under the common law, applicable statutes, the Act, the Declaration, the Articles, and these Bylaws, as any thereof may from time to time be amended. Such powers and duties shall be exercised in accordance with the provisions of applicable law, the Declaration, the Articles, and these Bylaws, and shall include, but not be limited to, the following:

- (a) Adopt and amend bylaws and rules and regulations;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from Lot Owners;
- (c) Hire and discharge managing agents and other employees, agents, and independent contractors to perform any such duties and responsibilities as the Board may reasonably determine;
- (d) Institute, defend, or intervene in litigation or administrative proceedings on matters affecting the Development;
- (e) Make contracts and incur liabilities;
- (f) Regulate the use, maintenance, repair, replacement, and modification of Common Elements;
- (g) Cause additional improvements to be made as a part of the Common Elements;

- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to G.S. 47F-3-112;
- (i) Grant easements, leases, licenses, and concessions through or over the Common Elements;
- (j) Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements other than the limited common elements and for services provided to Lot Owners;
- (k) Impose reasonable charges for late payment of assessments and, after notice and an opportunity to be heard, suspend privileges or services provided by the Association (except rights of access to lots) during any period that assessments or other amounts due and owing to the Association remain unpaid for a period of thirty (30) days or longer;
- (l) After notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the Association (except rights of access to lots) for reasonable periods for violations of the Declaration, Bylaws, and rules and regulations of the Association;
- (m) Impose reasonable charges in connection with the preparation and recordation of documents, including, without limitation, amendments to the Declaration or statements of unpaid assessments;
- (n) Provide for the indemnification of and maintain liability insurance for its officers, executive board, directors, employees, and agents and provide the insurance coverages, if any, mandated by N.C. Gen. Stat. §47F-3-113;
- (o) Assign its right to future income, including the right to receive common expense assessments;
- (p) Exercise all other powers that may be exercised in this State by legal entities of the same type as the Association;
- (q) Exercise any other powers necessary and proper for the governance and operation of the Association; and
- (r) Exercise all other powers, rights and obligations afforded to Associations by the Act.

#### ARTICLE V. *Officers*

5.1. **Designation of Officers.** The officers of this Association shall be a President, a Vice President, a Secretary and a Treasurer. Each officer shall be a Lot Owner or the individual nominee of a Lot Owner that is other than a individual. A person may hold one or more of such offices at one time, except that the President shall not at the same time hold another office in the Association. The Board may elect an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary.

5.2. **Election of Officers.** Officers of the Association shall be elected by the Board. Election shall be held annually at the first meeting of the Board held after the annual meeting of the members, except that the first Board shall elect officers as soon as practicable after filing of the Declaration.

5.3. **Term.** Each officer shall serve until his successor has been duly elected and has qualified.

5.4. **Removal.** Any officer may be removed, with or without cause and without notice, by the Board.

5.5. **Vacancy.** Any vacancy in an office shall be filled by the Board, and an officer elected to fill a vacancy shall serve for the unexpired term of his predecessor in office.

5.6. **Powers and Duties of Officers.**

(a) **President.** The President shall be the chief executive officer of the Association; shall have all of the powers and duties incident to the office of a president of a corporation including, but not limited to, the duty to preside at all meetings of the Board, and of the members, and the general supervision of officers in the management of the business and affairs of the Association; and shall see that all actions and resolutions of the Board are carried into effect. The President, together with the Secretary, and with approval by the Board, may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

(b) **Vice President.** The Vice-President shall perform such duties of the President as shall be assigned to him by the President and, in the absence of the President, shall perform the duties and functions of the President.

(c) **Secretary.** The Secretary shall keep the minutes of all meetings and actions of the Board and of the members; shall give all required notices to the Directors and members; shall keep the records of the association, except those kept by the Treasurer; shall perform all other duties incident to the office of a secretary of a corporation; and shall perform such other duties required by the Board or the President. The Secretary, together with the President, and with approval by the Board, may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

(d) **Treasurer.** The Treasurer shall have custody of all intangible property of the Association, including funds, securities, and evidences of indebtedness; shall keep the books of the Association in accordance with good accounting practices and principles, and upon request, shall submit them, together with all vouchers, receipts, records and other papers to the Board for examination and approval; shall deposit all monies and other valuable effects in depositories designated by the Board; shall disburse funds of the Association as directed by the Board; and shall perform all other duties incident to the office of a treasurer of a corporation.

5.7. **Execution of Agreements, etc.** All agreements, deeds, mortgages, or other instruments shall be executed by any two (2) officers or by such other person or persons as may be designated by the Board.

5.8. **Compensation of Officers Restricted.** No officer shall be compensation for his services in such capacity, but may be reimbursed for out-of-pocket expenses incurred in performing his duties.

#### ARTICLE VI.

##### *Indemnification of Directors and Officers*

The Association shall indemnify and hold harmless its officers and Board members for such expenses and liabilities against all contractual liabilities to others where the contract is made in good faith and not contrary to the provisions of the Act, the Declaration and these Bylaws.

#### ARTICLE VII.

##### *Fiscal Management*

7.1. **Depository.** The Board shall designate a depository for the funds of the Association and may change such depository. Withdrawal of funds from such depository shall be only by checks signed by any two (2) officers of the Association or any other two (2) Directors authorized by the Board.

7.2. **Fidelity Bonds.** Fidelity bonds shall be maintained by the Association in an amount determined by the Board covering each director and officer of the Association, any employee or agent of the Association, and any other person handling or responsible for handling funds of the Association.

7.3. **Payment Vouchers.** Payment vouchers shall be approved by the Board provided that the Board may delegate such authority to any officer or managing agent of the Association.

7.4. **Annual Audit.** An audit of the accounts of the Association shall be made annually by a certified public accountant and a copy of the report shall be furnished to each member not later than April 1 of the year following the year for which the report is made.

7.5. **Fiscal Year.** The fiscal year of the Association shall be the calendar year provided that the Board, from time to time, by resolution may change the fiscal year to some other designated period.

#### ARTICLE VIII. Assessments

8.1. **Obligation of Members to Pay Assessments; Amount of Levy.** Each Lot Owner shall be personally and severally liable for the Common Expenses that are levied against his Lot while a Lot Owner.

8.2. **Allocation of Common Surplus.** Any common surplus, including funds in reserve accounts, may be allocated to each Lot in accordance with its percentage of Common Expenses and, if allocated, may be paid to the Lot Owner or credited against that Lot's share of Common Expenses subsequently assessed.

8.3. **Preparation of Budget and Levying of Assessment.** For each fiscal year, the Board shall prepare and adopt a budget including therein estimates of the amount necessary to pay the Common Expenses together with amounts considered necessary by the Board for reserves. After preparation and adoption of each such budget, the Board shall provide each member with a copy and shall give each member notice of the assessment made against that member's Lot based upon such budget and may also state the interest to be charged on delinquent payments thereof. The assessment shall be deemed levied upon the giving of such notice.

8.4. **Lien for Assessments.** Every assessment levied against a Lot remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on that Lot when filed of record in the Office of the Clerk of Superior Court of Iredell County in the manner provided therefor by Article 8 of Chapter 44 of the General Statutes. The lien under this section is prior to all other liens and encumbrances on a Lot except (i) liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the Lot) recorded before the docketing of the lien in the Office of the Clerk of Superior Court of Iredell County, and (ii) liens for real estate taxes and other governmental assessments or charges against the Lot.

8.5. **Payment of Assessments.** Assessments shall be payable when notice thereof is given but shall not be delinquent if paid at the times and in the amounts specified by the Board in the notice of assessment. Except for special assessments, one-twelfth (1/12) of the assessment shall be paid on or before the first day of each month of the fiscal year of the Association. Payments shall be made to the Association or as the Board may from time to time otherwise direct.

8.6. **Funds and Reserves.** All sums collected by the Association from assessments shall be accounted for as follows:

(a) **Reserve Fund for Repairs and Replacements.** To this fund shall be credited all sums collected for the purpose of effecting repairs and replacements of Common Elements of the Development.

(b) **General Operating Reserve Fund.** To this fund shall be credited all sums collected to provide a reserve for purposes of providing a measure of financial stability during period of special stress and may be used to meet deficiencies from time to time as a result of delinquent payments of assessments and other contingencies.

(c) **Maintenance Fund.** To this fund shall be credited collections of assessments for all Common Expenses for the current year as well as common profits and surplus from the previous year and not to be credited to either of the above reserve funds.

(d) **Working Capital Fund.** All funds, if any, received by the Association for the initial working capital fund of the Association to defray unforeseen expenses and/or the cost of additional equipment or services deemed necessary or desirable by the Board shall be maintained in and segregated in this fund for the use and benefit of the Association.

The reserve fund for repairs and replacements shall be established by the Board beginning with the first assessment and shall be funded thereafter by regular installments rather than by extraordinary special assessments. The reserve funds described above shall be maintained only in such amounts as deemed necessary or desirable by the Board, subject, however, to the preceding sentence. To the extent maintained, funds therein shall be held in such accounts and with such depositories as the Board, in its discretion, selects.

8.7. **Special Assessments.** In addition to the assessments levied pursuant to Section 8.3., the Board, in its discretion, may levy special assessments at such other and additional times as in its judgment are required for:

(a) Maintenance, repair, restoration and reconstruction of the Common Elements.

(b) Alterations, improvements, and additions to the Common Elements; provided, however, that any such special assessment involving any expenditure in excess of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) shall be first approved by the members entitled to cast at least fifty-one percent (51%) of the total votes in the Association at a regular or special meeting of the Association.

(c) Payment of costs and expenses incurred in curing defaults pursuant to Sections 9.1 and 9.3. hereof.

Special assessments made pursuant to this Section shall be a Common Expense, shall be deemed levied upon notice thereof being given to the members subject to such special assessment, and shall be payable as determined by the Board and as set out in such notice.

8.8. **Failure to Prepare Budget and Levy Annual Assessment; Deficiencies in Procedure.** The failure of the Board or delay of the Board in preparing any budget and to levy or in levying assessments shall not constitute a waiver or release of the members' obligation to pay assessments whenever the same shall be determined and levied by the Board. Until a new assessment is levied by the Board pursuant to Section 8.3., each member shall continue to pay the assessment then previously levied pursuant to Section 8.3. in the same amount and at the same periodic times as levied or as the Board may otherwise advise in writing. Also, any deficiencies or inadequacies in the procedure followed by the Board in levying an assessment shall not in any way affect its validity or the obligation of members to pay such assessment.

8.9. **Assessment Roll; Certificates.** All assessments shall be set forth upon a roll of the Lots which shall be available in the office of the Association for inspection at all reasonable times by members and Security Holders and their duly authorized representatives. Such Roll shall include for each Lot the name and address of the members, all assessments levied, and the amount of all assessments unpaid. The Association, upon written request, shall furnish to a Lot Owner or his authorized agent a recordable certificate setting forth the amount of unpaid assessments currently levied against the Lot. The certificate shall be furnished within ten (10) business days after the receipt of the request and shall be binding upon the Association and all Lot Owners. For such certificate, a reasonable fee may be charged by the Board.

8.10. **Default and Enforcement.** If any assessment or installment thereof remains delinquent for thirty (30) days, then that assessment and all other assessments then a lien against that Lot may be declared by the Board to be immediately due and payable in full, with interest, without further notice, and may be foreclosed by the Association in the manner provided by N. C. Gen. Stat. § 47F-3-116. All fees, late charges, attorneys' fees, fines or interest levied or collected by the Association in connection with any unpaid assessments shall have the same priority as the assessment to which they relate.

If any action is taken by the Association to foreclose a lien on a Lot because of unpaid assessments, the Lot Owner shall be required to pay a reasonable rent for the use of the Lot during the period of redemption from such foreclosure, and the Association shall be entitled to the appointment of a receiver to collect the same.

In addition to the foregoing and without waiving its lien, the Association may sue to obtain a money judgment for the amount of any delinquent assessment or installment thereof together with interest and the members so sued and liable for such assessment shall pay all costs of collection including reasonable attorneys' fees, with interest thereon at the same rate as charged on the assessments being collected from the dates incurred until paid.

8.11. **Interest on Delinquent Assessments.** Assessments, or installments thereof, paid before they become delinquent shall not bear interest, but all delinquent sums shall bear interest at the rate set forth in the notice levying the assessment not exceeding the rate of interest allowed by the Act from the date delinquent until paid. If no interest rate is set forth in such notice, such interest rate shall be the prime rate of Citizens South Bank (or of any entity which into which Citizens South Bank shall be merged or consolidated or which shall purchase all or substantially all of the assets of Citizens South Bank) plus three percent (3%) or the maximum allowed by the Act, whichever is greater. All payments upon account shall be applied first to interest and then to the assessment, or installment thereof, longest delinquent on which such interest accrues.

8.12. **Common Expenses.** Common Expenses shall mean and include all sums declared Common Expenses by the Act or by any specific provision of these Bylaws or the Declaration and shall include, without limitation, the following: real estate taxes and other governmental assessments or charges against the Property until the Lots are separately assessed; premiums for any and all insurance maintained by the Association, including any deductible or coinsurance amount not covered by insurance; utility charges not charged directly to Lot Owners; legal and accounting fees; costs and expenses incurred in connection with any litigation or administrative proceeding pursuant to Section 4.12(d) hereof; deficits remaining from any prior assessment period; the cost, including fees and interests, incurred in connection with any borrowing done by the Association; the cost of all fidelity bonds; costs imposed upon the Association or any part of the Common Elements by or incurred by the Association as a result of the performance, enforcement or amendment of any agreement or easement to which the Association is a party or to which the Common Elements or any part of either thereof is or may be subject; amounts determined necessary for reserve funds; and indemnity payments made by the Association pursuant to Article VI hereof.

#### ARTICLE IX.

##### *Compliance, Enforcement, Fines and Penalties*

9.1. **Default and Remedies.** A default in or failure to comply with any of the terms, conditions, obligations, and provisions of the Act, the Declaration, these Bylaws, the Articles, or the rules and regulations, as the same may be amended from time to time, by any Lot Owner or Occupant, shall be grounds for relief that may include, without intending to limit the same or to constitute an election of remedies, an action to recover fines and penalties as determined by the Board, sums due for damages, an injunction, or any combination thereof, and which relief may be sought by the Association, an aggrieved Lot Owner, or by any person or class of persons adversely affected. Also, if any member fails to perform any obligation under the Act, the Declaration, these Bylaws, the Articles or such rules and regulations, then the Association may, but is not obligated to, perform the same for the member's account and for such purpose may enter upon his Lot, may make necessary repairs, advance expenses or other sums necessary to cure the default, and for such expenses and costs may levy a special assessment against the Lot owned by such defaulting member. The Association also shall be entitled to suspend the right of a defaulting Lot owner to vote as a member of the Association until the default is cured.

9.2. **Notice of Default and Failure to Cure.** In the event of any such default or failure, the Board shall serve upon or mail to the defaulting member, a written notice specifying the nature of the default, the cure therefor, and the time within which the cure shall be effected. Within the time limit specified in the notice, the defaulting member may cure the default specified, or serve upon or mail a written notice to the Board requesting a hearing before the Board. If a hearing is so requested, the Board shall thereafter serve upon or mail to the defaulting member, a notice specifying the time and place for such hearing. At the hearing, the Board shall take such evidence and hear such testimony as it deems necessary or desirable. The Board shall not exercise any remedies to obtain relief from the default until the hearing is over and the Board has made its determination and served upon or mailed the same to the defaulting member. The hearing may be continued from time to time as determined by the Board. Upon taking such evidence and hearing such testimony, the Board, at the hearing or at such later time, shall determine, in writing, and at its sole option, to waive the default in whole or in part, to extend the time within which the default may be cured or to proceed immediately to levy a fine or penalty, or to exercise any one or more of the remedies available to the Board due to such default. The Board shall serve upon or mail to the defaulting member, a copy of its determination. If the defaulting member (i) does not cure the default or request a hearing within the time limit specified in the original notice of default given pursuant to this Section, or (ii) so requests a hearing, but fails to cure the default (to the extent not waived by the Board) within the extended time, if any, granted by the Board after hearing, then the Board shall serve upon or mail to the defaulting member a written notice of such member's failure to effect a cure, and the Board may then proceed to take such action as it deems necessary to obtain relief.



9.3. **Remedy of Abatement in Addition to Other Remedies.** In the event a member fails to effect the cure specified by the Board within the time period set out in (i) or (ii) of Section 9.2 hereof, whichever is applicable, where the default is a structure, thing, or condition existing in or on the premises of the member's Lot in which, on which, or as to which, such default exists, and summarily to abate and remove, at the defaulting member's expense (and levy an assessment therefor as provided in Section 9.1 hereof), the structure, thing, or condition constituting the default, and the Board, the Association and their agents, employees, and representatives shall not thereby be deemed guilty of any manner of trespass.

9.4. **Injunction.** Any person or class of persons entitled to seek relief for any such default or failure may obtain a temporary restraining order, injunction or similar relief, without first using the procedure established by Section 9.2 hereof, if such default or failure creates an emergency or a situation dangerous to persons or property.

9.5. **Recovery of Attorneys' Fees and Costs.** In any proceeding arising because of an alleged default by a member, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees as may be allowed by the court, with interest thereon at the highest rate allowed by law at the time the costs are incurred, from the dates such costs are incurred until paid, as authorized by the Declaration and by N.C. Gen. Stat. §47F-3-120.

9.6. **Nonwaiver of Covenants.** The failure of the Association or of any member thereof to enforce any term, provision, right covenant, or condition that may be granted by the Declaration, these Bylaws, the Articles, the rules and regulations, or the Act, as any of the same may from time to time be amended, shall not constitute a waiver or abrogation of the right of the Association or a member to enforce such term, provision, right, covenant, or condition in the future, irrespective of the number of violations or breaches thereof that may have occurred.

9.7. **Assessment Liens.** Assessments liens shall be enforced pursuant to Article VIII hereof and not pursuant to this Article IX.

## ARTICLE X. *General Provisions*

### 10.1. **Rules and Regulations.**

(a) **By the Board.** The Board, including the first board, may promulgate from time to time such rules and regulations as it deems reasonable and necessary governing the administration, management, operation and use of the Common Elements so as to promote the common use and enjoyment thereof by Lot Owners and Occupants and for the protection and preservation thereof. In addition, the Board may adopt such rules and regulations as it deems reasonable and necessary with respect to Lots to provide for the common good and enjoyment of all Lot Owners and Occupants, including, without limitation, the right to adopt such rules and regulations with reference to tenants and leases. In no event shall any rules or regulations be inconsistent or materially more restrictive than the provisions contained in the Declaration and these Bylaws with respect to leases or tenants.

(b) **By the Association.** Any such rule or regulation adopted by the Board may be amended, modified, or revoked, and new and additional rules and regulations may be adopted by members at an annual or special meeting of the members. Any such act of the members shall control over any contrary rule or regulation then or thereafter adopted by the Board.

(c) **Copies Furnished.** Copies of all such rules and regulations and any amendments thereto shall be furnished to all members, and a copy shall be posted or otherwise made available to members at the office of the Association. However, failure to furnish or post or make available such rules or regulations shall not affect in any way their validity or enforceability.

10.2 **Parliamentary Authority.** Robert's Rules of Order, Newly Revised, shall govern the conduct of Association proceedings when not in conflict with the Declaration, these Bylaws, the Articles, the Act, or any statutes of the State of North Carolina applicable thereto. The chairman of the meeting shall have the authority to appoint a parliamentarian.

10.3. **Compliance with the Act; Conflict; Severability.** These Bylaws are established in compliance with the Act, as amended. Should any of the terms, conditions, provisions, paragraphs, or clauses of these Bylaws conflict with any of the provisions of said Act, the provisions of said Act shall control unless the Act permits these Bylaws to override the Act, in which event these

Bylaws shall control. In the case of any conflict between the provisions of these Bylaws and the Declaration, the Declaration shall control. If any term, provision, limitation, paragraph, or clause of these Bylaws, or the application thereof to any person or circumstance, is judicially held to be invalid, such determination shall not affect the enforceability, validity, or effect of the remainder of these Bylaws, or the application thereof to any other person or circumstance.

**ARTICLE XI.**  
***Amendment***

These Bylaws may be amended by a vote of Lot Owners owning a majority of the undivided interest in the common areas and facilities cast in person or by proxy at a meeting duly held in accordance with the provisions of these Bylaws. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

Notwithstanding the above, no amendment to these Bylaws shall be effective to impair the rights or priorities of a mortgagee or other security holder or the right and privileges reserved by the Declarant without the Declarant's written consent or without the affected mortgagee's or security holder's written consent.