

CASTLE BAY

SUMMARY OF AMENDED AND RESTATED GOVERNING DOCUMENTS

- **Articles of Restatement**

- Addition of definitions section.
- The "Purpose" section has been updated to be consistent with the North Carolina Nonprofit Corporation Act, the North Carolina Planned Community Act, and IRS Code Section 528. The more specific purposes defined in the current Articles are more appropriate for the Bylaws and can be found there instead.
- The "Voting Rights" section (Article V) have been removed from the current Articles. These terms are more appropriate for the Bylaws and can be found there instead.
- General clean up to streamline the document and bring it consistent with North Carolina law.

- **Amended and Restated Bylaws**

- More in-depth Table of Contents for ease of review.
- Definition section now references the definitions contained in the Declaration to create congruency among the Articles, Bylaws, and Declaration.
- Removal of references to Declarant
- Voting rights now set out in Bylaws instead of Articles and are more in-depth; includes provisions for suspension of voting privileges and other fines and penalties for violation of governing documents.
- Addition to allow electronic voting and virtual membership meetings pursuant to new legislation adopted by the North Carolina General Assembly in September 2021.
- Annual meeting date determined by the Board of Directors instead of a certain date every year.
- Number and terms of Directors specifically set out.
- More robust election procedures and qualifications, and details the manner by which members may take action such as written ballot and electronic voting.
- Article 7 sets out current Committees of the Board and how additional Committees may be created.
- Assessments and maintenance provisions are found in the Declaration instead of the Bylaws.

- Added article on indemnification for directors and officers consistent with North Carolina law.
- Updated the section on amendments to the Bylaws to be consistent with North Carolina law.
- **Amended and Restated Declaration**
 - Includes a more robust definitions section. The definitions contained in the Declaration are the primary source of definitions and are consistent with the Articles of Incorporation, the Bylaws, and North Carolina law. This makes all three (3) documents congruent with each other.
 - More robust definitions article.
 - Language added to clarify that the Townhome Lots are subject to provisions of the Declaration.
 - Removal of references to Declarant
 - More robust provisions setting out the Association's rights, obligations, and services.
 - Clarifies and defines each Lot owner's maintenance responsibilities with respect to their lot, such as lawn maintenance, grinder pumps, and improvements on the Lot.
 - Does not specify that the Association is responsible for maintenance of the grounds surrounding improvements on each Lot, but sets out the Association's maintenance responsibilities for all Common Elements.
 - More robust Insurance section.
 - Section regarding responsibilities for the Stormwater Permit and Stormwater Management Facilities (build-upon area provisions also moved to this section).
 - More robust Assessments section. Assessment increases over ten percent (10%) still require membership approval.
 - Architectural and Design Standards section provides more detail on the Architectural Committee, guidelines, and process/procedures for modification requests.
 - Set forth the budget ratification process to be consistent with the requirements in the North Carolina Planned Community Act.
 - Use Restrictions moved to Exhibit B, but Article 13 sets out additional information regarding rules and use restrictions.

- Enforcement/Hearing procedures set forth in the Declaration consistent with the requirements in the North Carolina Planned Community Act.
- Amendment requirements changed to 67% of the total votes in the Association to be consistent with the requirements in the North Carolina Planned Community Act.

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