

BYLAWS OF KINGS HARBOR HOMEOWNERS ASSOCIATION, INC.

Amended and Restated June 7, 2014.

ARTICLE ONE NAME

- 1.1 The name of the association shall be Kings Harbor Homeowners Association, Inc. (the "Association").
- 1.2 **Principal Office.** The initial principal office of the Association shall be located at 4050 Richlands Highway, Jacksonville, North Carolina 28540, but may be moved from that location as the Board of Directors may from time to time determine.
- 1.3 **Registered Office.** The registered office of the Association required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.
- 1.4 **Other Offices.** The Association may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may designate or as the affairs of the Association may require from time to time.

ARTICLE TWO PURPOSES AND POWERS

- 2.1 The purposes for which the Association is organized are:
- 2.1.1 To form a North Carolina non-profit corporation to administer Kings Harbor, a Planned Community formed pursuant to the North Carolina Planned Community Act as adopted in Chapter 47F of the North Carolina General Statutes and described in the Declaration of Covenants, Conditions and/or Restrictions for Kings Harbor, which have been executed and filed for record in the office of the Register of Deeds for Onslow County.
 - 2.1.2 To undertake the performance of, and carry out the acts and duties incident to the administration of the Association in accordance with the terms, provision, conditions and authorization contained in both these bylaws and in the Declaration of Covenants, Conditions and/or Restrictions, heretofore and hereafter recorded in the office of the Register of Deeds for Onslow County.
- 2.2 The powers of the Association are as follows, but not limited to:
- 2.2.1 To make, establish and enforce reasonable rules and regulations governing the use of subdivision development, common elements, land and other real and personal property which may be owned by the Association itself.
 - 2.2.2 To make, levy and collect assessments against lot owners; to provide funds to pay for the common expenses of the Association as provided in the Covenants and Restrictions and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association; to use said assessments to promote the acquisition, improvement and maintenance of properties, services, facilities and roads devoted to this purpose and related to the use and enjoyment of the common areas, including, but not limited to, the cost of repair, replacement and additions thereto, and the cost of labor, equipment and materials, management, and the maintenance of insurance.
 - 2.2.3 To employ and pay for the services of attorneys, accountants, and other professionals to represent the association as the need therefor may arise.
 - 2.2.4 To enforce by any legal means the provisions of the Covenants and Restrictions, and the rules and regulations for the use of the Association's property.
 - 2.2.5 To have all of the common law and statutory powers of a nonprofit corporation, as well as those set out in the Covenants and Restrictions, together with all powers reasonably necessary to implement these purposes of the Association.
 - 2.2.6 To engage in any lawful act for which nonprofit corporations may be organized under the laws of the State of North Carolina.

ARTICLE THREE THE DEVELOPMENT

- 3.1 The Association shall serve the residents that live within the Kings Harbor subdivision, to include any lot located in a particular section or phase that may be defined as "Kings Harbor"; "Kings Harbor, Phase Two "; "Kings Harbor Phase Three, Section 1"; "Kings Harbor Phase Three, Section 2"; "Kings Harbor, Phase Four"; "Kings Harbor, Phase Five"; and any future sections or phases as those portions of the subdivision hereafter are developed, subdivided, platted and recorded in the Office of the Register of Deeds of Onslow County, North Carolina.

ARTICLE FOUR MEMBERSHIP

4.1 All property owners of lots, including contract sellers, within the development shall be Members of the Association in accordance with and as provided in the respective declarations and covenants applicable to the development and these Bylaws.

4.2 **Voting.** There shall be one vote allocated to each lot within the development. If only one of the multiple owners of a lot is present at a meeting of the Association, the owner who is present is entitled to cast the vote allocated to that lot. If more than one of multiple owners are present, either in person or by proxy, the vote allocated to that lot may be cast only in accordance with the agreement of majority in interest of the multiple owners. Majority agreement is conclusively presumed if any one of the multiple owners casts the vote allocated to that lot without protest being made promptly to the person presiding over the meeting by any of the other owners of that Lot.

4.3 **Membership in Good Standing.** Only persons who have paid the annual dues in full may vote on Association business.

4.4 **Proxies.** The vote allocated to a lot may be cast pursuant to a duly executed proxy by a lot owner and delivered to the Secretary prior to the call to order of any meeting. A Member may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated. A proxy terminates eleven (11) months after its date, unless it specified a shorter term. Unless the proxy is specifically limited therein by the Member giving the proxy, the person holding the proxy may take any action the Member giving the proxy could take if he or she were present.

4.5 **Transfer of Membership.** Membership in the Association is not transferable or assignable.

4.6 **Termination of Membership.** The rights, obligations and interests of a Member shall not be terminated except upon dissolution of the corporation or conveyance of all of that Member's right, title and interest in a lot to a subsequent purchaser of a lot.

ARTICLE FIVE DUES

5.1 **Annual Dues.** The Board of Directors shall determine from time to time the amount of annual dues payable to the Association by Members, and shall give appropriate notice to the Members. The Initial Annual Dues shall be two hundred fifty dollars (\$250.00) per lot.

5.2 **Payment of Dues.** Dues shall be payable in advance on the first day of January of each year. Dues of a new member shall be prorated from the first day of the month in which such new member becomes a member.

5.3 **Increase in Amount of Dues.** The Board of Directors shall have the authority to increase the amount of Annual Dues payable by Members in an amount up to ten percent of the then existing Annual Dues obligation. Any increase in dues of more than ten percent of the then existing annual dues obligation shall be made only upon a vote of the majority of the Members.

5.4 **Past-Due Assessments and Dues.** The following shall apply to past-due assessments and dues:

5.4.1 All past-due assessments and dues shall bear interest at the rate of ten percent (10%) per year. Dues shall be payable on January 1 of each calendar year and shall be past-due if not paid in full by January 31 of that year.

5.4.2 Rights and privileges of a lot owner, other than the right of access to his or her lot, may be suspended by the Association after notice and hearing by the Board of Directors or by an adjudicatory panel appointed by the Board of Directors pursuant to §47F-3-107.1 of the North Carolina General Statutes.

ARTICLE SIX MEETINGS OF MEMBER

6.1 **Annual Meeting.** A meeting of the Association shall be held at least once each year.

6.2 **Special Meetings.** Special meetings of the Members may be called by the President or by a majority of the Board of Directors. A special meeting may also be called by delivering to the Secretary a written document signed by Members holding at least ten percent (10%) of the votes entitled to be cast for the election of Directors of the Association.

6.3 **Notice of Meetings.** Written or printed notice stating the place, day, and hour of any meeting of Members shall be delivered to each Member entitled to vote as such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, either personally or by prepaid United States mail to the mailing address of each lot or to any other mailing address designated in writing by the lot owner; or sent by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the lot owner. The Notice of Meeting shall state the time and place of the meeting and shall contain the items on the agenda, including the general nature of any proposed amendment to the declarations or bylaws, any budget changes and any proposal to remove a director or officer.

6.4 **Quorum.** A quorum is present throughout any meeting of the Association if persons entitled to cast ten percent (10%) of the votes which may be cast for election of the Board of Directors are present in person or by proxy at the beginning of the meeting. In

the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy and the quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

6.5 Voting Lists, Record Date. At least ten days before each meeting of Members, the Secretary of the Association shall prepare an alphabetical list of the Members entitled to vote at such meeting or any adjournment thereof, with the address of and number of votes held by each, which list shall be kept on file at the registered office of the Association for a period of ten (10) days prior to such meeting, and shall be subject to inspection by any Member at any time during the usual business hours. This list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any Member during the whole time of the meeting.

6.6 Informal Action. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the Association to be kept as part of the Association's records.

6.7 Presiding Officer. The President of the Association, or in his/her absence, the Vice President, shall preside over all meetings of Members and the Secretary of the Association shall act as the Secretary thereof. In the absence of the Secretary, the President shall designate some other person to act as the Secretary of the meeting. In the absence of both the President and the Vice President, the Members present at the meeting shall elect a Presiding Officer for such meeting.

ARTICLE SEVEN BOARD OF DIRECTORS

7.1 General Powers, Qualifications. The affairs of the Association shall be managed by its Board of Directors. All Directors with the exception of the secretary must be members of the Association and reside in Kings Harbor. The position of secretary may be held by a non-member if they reside in Kings Harbor and are voted in by the general assembly with knowledge of candidate's non-owner status. Directors shall discharge their duties in good faith.

7.2 Number and Term of Office. The number of Directors shall be five (5) members. Each Director shall be elected by plurality at the annual meeting of members and the term of office of each Director shall be until the next annual meeting of members and the election and qualification of his/her successor.

7.3 Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors even though less than a quorum. A Director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office.

7.4 Vacancies; Change in Number. The Number of Directors may be increased or decreased by amendment to these Bylaws in the manner provided; provided, however, that a decrease in the number of Directors shall not shorten the term of an incumbent Director. Any Directorship to be filled by reason of 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.

7.5 Removal. Any Director may be removed at any time with or without cause by a vote of the Members holding a majority of the outstanding votes entitled to vote at an election of Directors. If any Directors are so removed, new Directors may be elected at the same meeting.

7.6 Compensation. Directors as such shall not receive any stated compensation for their services, but by resolution of the Board of Directors, a fixed sum for expenses of a Director directly related to his or her service as a Director may be allowed. Nothing herein shall be construed to prohibit any Director from serving the Association in any other capacity and receiving compensation therefor.

ARTICLE EIGHT MEETING OF DIRECTORS

8.1 Regular Meetings. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of Members, and at such other times as seems desirable by the Board of Directors. The Board of Directors may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution. Additional regular meetings shall be held at the principal office of the Association in the absence of any designation in the resolution, but by unanimous agreement of the Board of Directors may be held at any location.

8.2 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors, and shall be held at the principal office of the Association or at such other place as the Directors may determine.

8.3 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 five (5) days before the meeting, give notice by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

8.4 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board; but if less than a majority of the Directors are present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

8.5 Board Decision. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

8.6 Action Without Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting if written consent to the action in question is signed by all the Directors and file with the minutes of the proceedings of the Board of Directors. Any action so approved shall be effective when the last consent is signed, unless the consent specifies otherwise.

8.7 Committees of the Board of Directors. The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by these Bylaws, shall designate three (3) or more Directors to constitute an Architectural Committee as provided in the Declarations, Covenants and/or Restrictions and may appoint other committees as it deems appropriate. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility or liability imposed upon it or him by law.

ARTICLE NINE POWERS AND DUTIES OF THE BOARD OF DIRECTORS

9.1 Powers. Subject to the provisions contained within these Bylaws and applicable law, the Board of Directors shall have the power and authority to exercise all of the rights and powers of the Corporation/Association, including, but not limited to, the following powers:

9.1.1 To adopt and publish rules and regulations governing the use of any common area, the personal conduct of the Members and their guests thereon, and establish penalties for the infraction thereof.

9.1.2 To suspend the voting rights and right of use of the common areas of any Member during any period in which such member shall be in default in the payment of any dues or other properly levied assessment.

9.1.3 To procure, maintain, and pay premiums on insurance policy(ies) and equitably assess the Members for their prorate portion of such expense.

9.1.4 To declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive meetings of the Board of Directors.

9.1.5 To exercise any other powers necessary and proper for the governance and operation of the Corporation/ Association.

9.2 Duties. It shall be the duty of the Board of Directors to do the following:

9.2.1 To cause the common areas to be maintained, repaired and replaced as necessary, and to assess the Members to recover the cost of the upkeep thereof.

9.2.2 To keep a complete record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting, or any special meeting when such statement is requested in writing by twenty percent (20%) of the Members.

9.2.3 To supervise all officers, agents, and employees of the Associations, and to see that their duties are properly performed.

9.2.4 To fix the amount of the Annual Dues at least three (3) months in advance of each fiscal year based on the projected budget for said fiscal year and pursuant to the provisions set forth in the Covenants and Restrictions.

9.2.5 To send written notice of the assessment of dues and other charges to every Member at least thirty (30) days in advance of the due date therefore.

9.2.6 To foreclose any unpaid dues or assessments, and liens resulting therefrom, against any property for which said dues or assessments are not paid within sixty (60) days after the due date or to bring an action at law against the Member personally obligated to pay the same.

9.2.7 To issue, or have issued, for a reasonable charge, a certificate setting forth whether or not any assessment has been paid; provided, however, that if a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as to all parties.

9.2.8 To procure and maintain, at all times, adequate hazard insurance on the property owned by the Association and all property for which the Association has the duty to maintain, and sufficient liability insurance to adequately protect the Association as provided in the Covenants and Restrictions.

9.2.9 To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE TEN OFFICERS

10.1 Officers. The officers of the Association shall be a President, one or more Vice Presidents, (the number thereof to be determined by the Board of Directors), Treasurer, Secretary, and such other Officers as may be elected in accordance with North Carolina state statutes, and the provisions of this Article. The Board of Directors may elect or appoint such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary/Assistant Secretary.

10.2 Election, Term and Qualification. The Officers of the Corporation/Association shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of Officers is not held at such meeting, such election shall be held as soon thereafter as is practicable. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his successor has been duly elected and qualified. All Officers shall be members of the Corporation/Association, or an officer, director, or member of an owner which is not a natural person.

10.3 Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the persons so removed.

10.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

10.5 Check, Drafts, or Orders. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers or agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

10.6 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

ARTICLE ELEVEN POWERS AND DUTIES OF THE OFFICERS

11.1 President. The President shall be the principal executive officer of the Association, and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He/she shall see that orders and resolutions of the Board of Directors are carried out. He/she shall sign, with the Treasurer, Assistant Treasurer, or any other proper Officer, any deeds, deeds of trust, mortgages, bonds, contracts, checks, promissory notes, or any other instrument which the Board of Directors has authorized to be executed.

11.2 Vice President(s). The Vice President(s) shall act in the place of the President in the event of his/her absence, or his/her inability or refusal to act, and shall exercise and discharge other duties as may be required by the Board of Directors.

11.3 Secretary(ies). The Secretary(ies) shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members. He/she shall keep the corporate seal and affix it on all papers requiring said seal. He/she shall serve notice of meetings of the Board of Directors and of the Members. He/she shall keep appropriate current records showing the Members of the Association, together with their addresses, as well as the number of votes held by said addresses of all Members and the number of votes held by each, and prepare or cause to be prepared voting lists prior to each meeting of Members as required by law. He/she shall also prepare, execute, certify, and record amendments to the Covenants on behalf of the Association. He/she shall also perform such other duties as are required by the Board of Directors. The Secretary(ies) shall also produce, or cause to be produced, a newsletter or equivalent as directed by the Board of Directors, and deliver, or cause to be delivered, such newsletter to all active members and such others as is deemed appropriate by the Board of Directors. Such newsletter shall be produced and distributed in a time manner as set forth by the Board of Directors.

11.4 Treasurer(s). The Treasurer(s) shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as may be directed by the Board of Directors. He/she shall sign all checks and promissory notes (such check and promissory notes to be co-signed by the President) of the Association. He/she shall keep proper books of account and shall cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year. He/she shall also prepare an annual budget and a statement of income and expenditures to be presented to the Members at its Annual Meeting, and deliver a copy to each Member. He/she shall also perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors, or by these Bylaws.

ARTICLE TWELVE GENERAL PROVISIONS

12.1 Books and Records. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, its Board of Directors, and its committees whether or not such committees have and exercise any of the authority of the Board of Directors, and shall keep at the principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time. Any notice required or allowed by operation of law or by these

Bylaws shall be deemed to have been given if such notice is mailed to a Member's address of record per this Article unless some other manner of notice is required by law.

12.2 **Fiscal Year.** The fiscal year of the Corporation/Association shall be the calendar year unless the Board of Directors, by resolution, adopts a different fiscal year.

12.3 **Seal.** The Board of Directors shall provide a corporate seal, which shall be in a form substantially similar to seals customarily used by similar corporations and shall bear the name of the corporation thereon. The President of the Corporation/Association shall be the custodian of the Seal unless the Board of Directors, by resolution, authorizes the Secretary or an Assistant Secretary to be the custodian of the Seal.

12.4 **Waiver of Notice.** Whenever any notice is required to be given to any Member or Director by law, by the Articles of Incorporation, Declaration, Covenants and Restrictions, or by these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice whether before or after the time state therein, shall be equivalent to the giving of such notice.

12.5 **Rules of Construction.** In the event of a conflict between the provisions of the Declaration and the Association's Bylaws, the Declaration shall prevail except to the extent it is inconsistent with state statutes. To the extent any provisions of the Declaration, the Association's Articles of Incorporation or Bylaws violate state statutes, such provisions shall be deemed amended and shall be construed to the extent necessary to comply with state statutes.


12.6 **Amendment of Bylaws.** These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by a majority of the Directors present at any regular meeting at which a quorum is present, if at least fifteen (15) days written notice is given to the Members of the intention to alter, amend, or repeal or to adopt new Bylaws at such meeting; or the Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a majority vote of the Members present at any regular or special meeting at which a quorum is present if at least fifteen (15) days written notice is given to the Members of the intention to alter, amend, or repeal or to adopt new bylaws at such meeting.

Adopted this 7th day of June, 2014 by the undersigned Directors.

KINGS HARBOR HOMEOWNERS ASSOCIATION, INC.



Director



WILLIE COO
Director



Matt Brown
Director



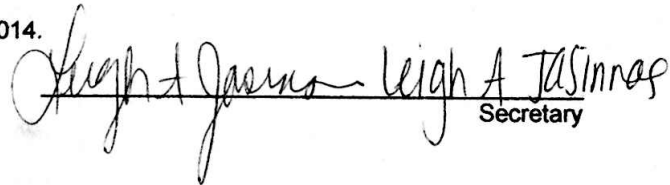
Director



Leigh A. Jasinna
Director

The undersigned hereby certifies that the foregoing constitutes a true and accurate copy of the Bylaws of Kings Harbor Homeowners Association, Inc.

This the 7th day of June, 2014.



Secretary