

BY-LAWS  
FLOWERS RIDGE HOMEOWNERS ASSOCIATION, INC.  
A NON-PROFIT CORPORATION

ARTICLE I  
DEFINITIONS

The following terms as used in these By-Laws are defined as follows:

- (a) Flowers Ridge Homeowners Association, Inc., hereinafter referred to as the "Association", means and refers to the Association of Owners of properties of the community known as Flowers Ridge.
- (b) "Board" means the Board of Directors of the Association.
- (c) "By-Laws" means the By-Laws of the Association.
- (d) "Common Areas" shall mean and refer to those areas shown on any recorded subdivision plats of The Properties labeled as "Common Areas" or shown as streets, roads, or proposed "Dumpster Site".
- (e) "Declaration" means the Declaration of Protective Covenants for Flowers Ridge Subdivision, recorded in Book 576, Page 506, Dare County Registry, and any amendments thereto, as shown on map or plat of said Flowers Ridge Subdivision, duly recorded in Plat Cabinet C, Slide 32C, and Plat Cabinet C, Slide 75A Dare County Public Registry. The Declaration as hereinabove set forth is incorporated in these By-Laws by reference as if fully set forth herein.
- (f) "Development" means Flowers Ridge Subdivision, a planned residential Community developed by Donald Lang, Stephen Lang and David S. Lang and wife, Carol A. Lang.
- (g) "Lot" shall mean and refer to any plot of land within The Properties shown upon any recorded subdivision map of The Properties, or any portion thereof, with the exception of Common Areas as heretofore defined.
- (h) "Owner" shall mean and refer to each owner of record of any Lot situated upon The Properties, whether such interest be fee simple, as land contract vendee, or otherwise, but not withstanding any applicable theory of any lien or mortgage law, shall not mean or refer to any mortgagee or deed of trust beneficiary or trustee, unless and until such mortgagee, trust beneficiary or trustee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- (i) "The Properties" shall mean and refer to all the Existing Property, as are subject to the Declaration.

(j) "Regulations" means the rules and regulations adopted and published by the Board as from time to time amended and then in effect.

## ARTICLE II PURPOSES

The purposes of the Association are:

(a) This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the administration, maintenance and management of the planned unit community and facilities known as "Flowers Ridge Subdivision" according to those "Declaration of Protective Covenants for Flowers Ridge Subdivision" recorded in Book 576, Page 506, Dare County Registry, as same may be amended from time to time covering and regarding that certain tract or parcels of land described as:

Lots 1 through 15 as shown on that certain plat of Section 1, Flowers Ridge recorded in Plat Cabinet C, Slide 32C, Dare County Registry, and Lots 1 through 20 as shown on that certain plat of Section 2, Flowers Ridge recorded in Plat Cabinet C, Slide 75A, Dare County Registry.

and to promote the health, safety and welfare of the residents within the community;

(b) To exercise all the powers and privileges and to perform all the duties and obligations of the Association as set forth in the above Declaration of Protective Covenants for Flowers Ridge Subdivision, herein after called the "Declaration", applicable to the property above and recorded in the office of the Register of Deeds of Dare County, North Carolina, and as the same may be amended or supplemented from time to time as therein provided, the Declaration being incorporated herein as if set forth in its entirety, including but not limited to accomplishing the purpose of the betterment of the entire neighborhood including the supervision and ownership of properties which may be conveyed to the Association by the developer for the benefit of all lot and land owners.

(c) To maintain all roads and common areas that may be owned by the Association and/or developer as such roads and common areas are designated on all the above referred plats of Flowers Ridge Subdivision and any subsequent plats that may be recorded in the Dare County Registry;

(d) To fix, levy, and collect by all lawful means, all dues, assessments or other charges that may be assessed against the members of the Association; to pay all expenses in connection therewith and all office and other expenses incidental to the

conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property maintained and managed by the Association;

(e) To have and to exercise any and all powers, rights and privileges which a corporation organized under the non-profit corporation laws of the State of North Carolina may now or hereafter have or exercise.

### ARTICLE III MEMBERSHIP

Section 1. There shall be one class of members. Each Owner shall become a member of the Association upon payment of dues to the Association.

Section 2. Privileges of Members. Members shall have the license to use the Common areas and facilities thereon, subject to the provisions of the Declaration and subject to such Regulations as may be established from time to time by the Board.

Section 3. Lessees. Lessees of homes of Members of the Properties will have the same use of Common Areas as the Member, subject to the provisions of the Regulations.

### ARTICLE IV TRANSFER OF MEMBERSHIP

When a member ceases to be an Owner, such Person's membership shall automatically cease.

### ARTICLE V MEETING OF MEMBERS

Section 1. Place of Meeting. Any meeting of the Members of the Association shall be held within Dare County at such designated place as may be stated in the notice of meeting as determined by the Board of Directors of the Association.

Section 2. The Annual Meeting. The Annual meeting of the Association shall be held on the first Saturday in June of each year commencing with the year 1988, or such other time and date as may be set by the Board.

Section 3. Special Meeting of the Association. Special meeting of the Association may be called by the President or by two or more members of the Board at any time in the manner provided herein.

Also, the Secretary shall call a special meeting upon written request of one-fourth of the Members entitled to vote. The written request shall set forth the purpose of the special meeting.

Section 4. Notice of Meetings of the Association. Written notice of the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than five (5) days nor more than forty-five (45) days before the date of the meeting, either personally or by mail, to each Member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the person at his address as it appears on the records of the Association, with postage prepaid, or such notice may be published in any newsletter or publication printed under the auspices of the Association and distributed generally among Members of the Association. At a special meeting, no business shall be conducted except that stated in the notice of said meeting.

All members may attend meetings but only voting Members, as defined below, may vote.

Section 5. Quorum. A quorum at either a special meeting or the Annual Meeting shall be the voting Members entitled to cast at least five percent (5%) of the votes at such meeting in person or by proxy. The vote of a majority of the voting Members present in person or by proxy and entitled to vote at any meeting which a quorum is present shall be necessary for the adoption of any matter to be voted upon by the Members, unless a greater proportion is required by law.

Section 6. Continuation of Meeting. The Members of the meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 7. Proxies. In all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot in Flowers Ridge Subdivision. No proxy shall be valid after twelve (12) months from the date of its execution, unless otherwise provided in the proxy.

Section 8. (a) If there is only one Owner with respect to a Lot, he shall be the voting Member with respect to that Lot's one vote.

In the event that the Association has received notice that there is more than one Owner of a Lot, the Owners of such Lot shall execute and deliver to the Secretary of the Association a certificate duly executed by all of such Owners designating the person who shall be authorized to cast the vote allocated to the Owners of said Lot or to signify approval or disapproval of any matter on behalf of the Lot Owners. Said certificate shall be valid until revoked by a subsequent certificate. Unless and until said certificate is filed with the Secretary of the Association, the vote of such Owners shall not be considered for the purpose of

determining a quorum or for any other purpose. The requirements of this Section shall not apply if there are no more than two Owners and said owners are husband and wife, in which event, they shall certify to the Association which shall be the voting member.

(b) No cumulative voting shall be permitted.

(c) No Member shall be eligible to vote if such Member is more than thirty (30) days delinquent in payments due the Association.

(d) Members may vote by mail, by absentee ballot, on any matters known to be at issue before the Membership and at all annual elections. All ballots must be received prior to the calling to order of the meeting in which the issue or election is to be determined.

Section 10. Order of Business. At all meetings of the Association, the order of business shall be as follows:

(a) Reading of Minutes of immediate prior meetings for information and approval.

(b) Reports of Officers.

(c) Reports of Committees.

(d) Unfinished business.

(e) New business.

(f) Nomination and Election of Directors.

#### ARTICLE VI THE DIRECTORS

Section 1. Powers. The Board shall:

(a) Manage and control the affairs of the Association.

(b) Adopt a corporate seal as the seal of the Association.

(c) Designate a banking institution or institutions as depository of the Association's funds and the officer or officers and agents authorized to make withdrawals therefrom and to execute obligations on behalf of the Association.

(d) Perform other acts, the authority for which has been granted by the Charter of the Association or Declaration, including the borrowing of money for Association purposes. A resolution by the Board that the interest of the Association requires the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corporate purpose. The board may, if it determines that the same shall be reasonably

necessary, assign, pledge, mortgage, or encumber any Association property as security for such borrowings and they may pledge or assign future revenues of the Association as security therefor.

(e) Employ a sufficient number of persons to adequately maintain Association property. Further, the Board may adopt rules of order for the conduct of the meetings of the Association, and unless otherwise designated, Robert's Rules of Order shall prevail in all parliamentary matters arising in the Members' meeting and the Directors' meeting.

(f) Promulgate the Regulations as it deems appropriate with regard to the use and maintenance of the Common Areas, as well as other matters to carry out the purposes of the Association as set forth in Article II herein.

Section 2. Number and Term of Directors. The initial Board of Directors shall be one Director designated in the Corporate Charter. Thereafter at the first Annual Meeting a slate of one or more Directors shall be elected to serve for a term of one year or until the Directors successors are elected, designated or appointed and qualifies.

Section 3. Election of Directors. Any directorships not filled by the Members shall be treated as vacancies to be filled by and in the discretion of the Board. At any meeting of Members, duly called and at which a quorum is present, the Members may, by the affirmative vote of the holders of a majority of the votes entitled to be cast, remove any Director or Directors from office and may elect a successor or successors to fill any resulting vacancies for the unexpired terms of removed Directors.

Section 4. Budget. The Board shall adopt a budget for each fiscal year, which shall contain estimates of the costs of performing the functions of the Association. The budget shall establish the annual dues for the coming year and any proposed special assessment then known.

Section 5. Meetings of the Board of Directors. The Board shall meet at least once annually. Special meetings may be called by the President or by majority of the Board and shall be held at such place in the State of North Carolina as the call or notice of the meeting shall designate. Notice of a special meeting must be given to all Directors in writing or orally at least twenty-four (24) hours prior to the date of said special meeting, or notice thereof must be waived by the Directors in writing. After adoption of a resolution setting forth the times of regular meetings, no notice of such meetings shall be required, or waived, but notice of special meeting of the Board shall be given.

Section 6. Action Without Meeting. Unless prohibited by law, any action which may be taken at a meeting of the Board may be taken without a meeting if authorized in a writing signed by all of the directors who would be entitled to vote upon said

action at a meeting, and filed with the Secretary of the Association.

Section 7. Quorum. A majority of the number of Directors fixed by the charter of By-Laws shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any meeting shall be deemed to be the act of the Board.

Section 8. Vacancies. If any vacancy exists on the Board, such vacancy shall be filled by the remaining Directors even though those remaining Directors might be less than a quorum. Any person so named a Director shall serve until the next annual election at which time a Director will be elected to serve the unexpired portion of the term.

Section 9. Compensation. No compensation shall be paid to Directors for their services as Directors. Directors and officers may be compensated for reasonable expenses incurred while so acting. Directors shall have the right to set and pay all salaries or compensation to be paid to officers, employees or agents or attorneys for services rendered to the Association. Overall departmental salaries or wages to be paid to employees shall be approved by the Directors in the annual budget. These all salaries or wages shall be paid to individual employees at the discretion of the current President.

Section 10. Resignations. Any director may resign at any time by giving written notice to the Chairman or the Secretary of the Association. Unless specified therein, it shall be effective at such times as the resignation is received by the Chairman or Secretary of the Association.

## ARTICLE VII THE OFFICERS

Section 1. Officers. The officers of the Association shall be the President, one or more Vice Presidents, the Secretary and Treasurer. The officers shall serve for a term of one year. Any two or more offices may be held by the same person, except the office of the President and Secretary. If more than one Vice President shall be elected, there shall be a designation as to First Vice President and Second Vice President insofar as authority to act in the absence of the President. All officers must be members of the Association.

Section 2. President. The President shall be the executive director of the Association and shall preside over all meetings of the Association and shall be Chairman of the Board of Directors. He shall conduct the affairs of the Association in accordance with these By-Laws and those policies promulgated by the Board of Directors. He shall be responsible for the preparation of a full and true report as to the prior year to be submitted to the annual meeting and shall file said report with the Secretary where it

shall be available for inspection by the membership.

Section 3. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the First Vice President is empowered to act and in lieu thereof the Second Vice President is empowered to act and shall thereupon be vested with the powers and duties of the President.

Section 4. Secretary. The Secretary of the Association shall keep or cause to be kept the minutes of the meetings of the members and of the Board. He shall have the responsibility for the safe-keeping of the corporate seal and records and see that a list of the Members and their addresses shall be maintained and perform duties incident to the office of Secretary. In order to carry out the above and other duties described in these By-Laws, the Secretary may appoint assistants as deemed necessary.

Section 5. Treasurer. The Treasurer shall have custody of the funds of the Association, collect monies due, pay the obligations of the Association out of its funds, and perform such other duties as are incident to the office of Treasurer.

Each check, payable from the Association funds, shall be signed by at least two persons, each of whom shall have been authorized by the Board of Directors to perform this function. Each such person, before signing any such check shall have been bonded by such surety as set forth below.

The Treasurer, and such other officers as may be designated by the Board of Directors, shall be bonded by such surety company and in such amount as may be determined by the Board. Indemnity bond premiums shall be paid by the Association.

Section 7. Removal of Officers. Any officers may be removed when, in the judgment of the Board, the best interest of the Association will be served by such removal.

#### ARTICLE VIII DISTRIBUTION OF ASSETS AFTER TERMINATION

Section 1. No member of this Association shall have, as an individual, any interest or title to the assets of Flowers Ridge Subdivision Property Owners Association and such assets shall be devoted exclusively to the purposes of the Association.

Section 2. In the event of dissolution or other termination of this Association, all of its assets shall be distributed in accordance with a plan of distribution which shall be adopted by the Members of the Association and which shall be in accord with the appropriate revenue provisions of the Internal Revenue Service and the Department of Revenue and the State of North Carolina, such plan being selected and approved by the Board of Directors.



ARTICLE IX  
INDEMNIFICATION OF DIRECTORS, OFFICERS, AND EMPLOYEES

Any person who is involved without his consent in any legal action due to the fact that he is or was a Director, officer, or employee of the Association shall be indemnified by the Association against all expenses reasonably incurred by him in connection with or resulting from such legal action. Such expenses shall also include amounts paid by him with the consent of the Association acting through its Board of Directors in reasonable settlement of such actions except for those matters as to which it shall be determined that such person was derelict in the performance of his duties to the Association. This right of indemnification to which such person may be entitled, and in particular, indemnification, is provided under N.C.G.S. 55A-17.1 et seq.

ARTICLE X  
ASSESSMENTS

Section 1. The assessments levied by the Association as provided by the Declaration shall be paid to it as provided therein. Written notice of the assessment and the date of payment shall be sent to each Owner at the address last given by such Owner to the Association. If any charged levied or assessed against any lots remains unpaid after the date of payment, then such assessment shall, together with interest at the rate as set by the Board of Directors, and the cost of collection thereof, including reasonable attorneys fees, as hereinafter provided, thereupon become a continuing lien on the Lot, which shall bind such lot in the hands of the then owner, his heirs, devisees, personal representatives and assigns.

The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

All payments on account shall be first applied to accrued interest and penalties and then to any assessment payments then due.

Upon such lien being filed, it shall be prior to all other liens except for ad valorem taxes, the lien of any mortgage or mortgages, deed of trust or deeds of trust.

If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due day at the rate ten percent (10%) per annum, and the Association may file appropriate claim of lien and bring appropriate action to enforce said lien in accord with North Carolina law.

Section 2. All assessments shall be made in accordance with the terms and conditions of the Declaration.

ARTICLE XI  
AMENDMENTS

These By-Laws may be amended by a majority vote of the Board of Directors from time to time. The Board's authority to amend the By-Laws in accordance with this procedure is subject to the provisions contained in the Charter of the Association.

ARTICLE XII  
MISCELLANEOUS

Section 1. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration, the Articles of Incorporation of the Association and General Statutes of North Carolina. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration, said Articles of Incorporation or said Statutes. Every provision of these By-Laws shall be construed, if possible, so as not to conflict with said Declaration or the Articles of Incorporation.

Section 2. Severability. In the event that any provision or provisions of these By-Laws shall be determined to be invalid, void, or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 3. Waiver. No restrictions, condition, obligation or provisions of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 4. Waiver of Notice. Whenever any notice is required to be given to any Association Member or director by law, by the charter or by these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated herein, shall be equivalent to the giving of such notice.