

BYLAWS

SOUTHPOINTE HOMEOWNERS ASSOCIATION OF WILSON, INC.

A Nonprofit Corporation Organized Under the Laws of North Carolina

ARTICLE I GENERAL PROVISIONS

Name and Location. The name of the association is Southpointe Homeowners Association of Wilson, Inc. (the "Association.") The principal office of the Association shall be located at 6106 Thornbridge Way, Wilson NC 27896. Meetings of Members and Board of Directors may be held within the state of North Carolina, County of Wilson, as may be designed by the Board of Directors. The Association may have other such offices as the Board of Directors may determine or deem necessary, or as the affairs of the Association may find a need for from time to time, provided that any permanent change of address for the principal office is properly reported as required by law.

Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December.

Association Year. The Association year shall commence each year on the day and at the time of the annual meeting. The Association year shall end each year on the day of the annual meeting following the annual meeting at which that year commenced.

Interpretation. The following Bylaws shall be subject to, and governed by, the Non-Profit Corporation Act of North Carolina, Articles of Incorporation of Southpointe Homeowners Association of Wilson, Inc, and the Declaration of Protective Covenants, Conditions, Easements and Restrictions for Southpointe. In the case of any conflict, the (1) provisions of state law, (2) the Association's Declaration, (3) Articles of Incorporation, and (3) these Bylaws shall prevail in that order.

Tax Status: This Association is, and shall remain, a non-profit organization and no part of the net earnings thereof shall inure to any individual member. The Association is established within the meaning of IRS Publication 557 Section 501(c) Organization of the Internal Revenue Code of 1986, as amended (the "Code") or the corresponding section of any future federal tax code.

Termination. The Association may be dissolved only as provided in the Articles of Incorporation. Upon dissolution of the Association, other than incident to a merger or consolidation, obligations of the Association are deemed automatically assumed by the Owners, in addition to any direct obligations of the Owners may have to the Association pursuant to the Declaration. In the event of merger or consolidation, all remaining properties and assets of the Association shall be distributed and paid over to an organization dedicated to non-profit purposes which has established its tax-exempt status pursuant to Section 501(c) of the Code.

ARTICLE II PURPOSE

Purpose. The general purposes of this Association shall be:

- 1) to encourage and promote community pride in our neighborhood by providing a forum for neighborhood activity.
- 2) to be a voice for our common neighborhood interests by acting as liaison with governmental bodies and with institutions on common concerns.
- 3) to serve as a focal point for the maintenance and improvement of common elements serving the neighborhood.
- 4) to provide an avenue for neighborhood social activities.
- 5) to encourage and facilitate vigorous citizen participation in all issues affecting our neighborhood, including land use, zoning changes, traffic patterns, and street modifications; and
- 6) to engage in any lawful act or activity for which Associations may be organized under Chapter 55A of the North Carolina General Statutes.

Powers. The Association shall hold and may exercise all such powers as may be conferred upon any nonprofit organization by the laws of the State of North Carolina and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the Association. At no time and in no event shall the Association participate in any activities which have not been permitted to be conducted by an Association exempt under Section 501(c) of the Internal Revenue Code of 1986 (the "Code"), such as certain political and legislative activities.

ARTICLE III MEMBERSHIP

Membership Requirements. Every record Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. The membership of this Association shall consist solely of owners of lots in the Southpointe subdivision. An Owner for purposes of these bylaws will mean the record owner, whether one or more persons or entities of a fee simple title to any lot in Southpointe but excluding those having interest merely as security for the performance of an obligation.

Voting. As stated in the Articles of Incorporation, when more than one person holds an interest in any Lot, all such persons shall be Members of the Association. In no event shall more than one vote be cast with respect to any Lot.

Dues. The Board of Directors shall establish annual membership dues. Once paid, dues are nonrefundable. Dues shall be used for the purposes set forth in Article II.

ARTICLE IV MEETING OF MEMBERS

Annual Meetings. The Association's annual meeting of the Members shall be held each year in November at such place and time as the Board of Directors may designate. The purpose of the annual meeting shall be for electing a board of directors, updating the members of previous and future community plans, making decisions regarding the association, and for any other association affairs that may come up. The Board of Directors shall set the day of the annual meeting no later than 30 days in advance. Reasonable efforts shall be made to give notice of the time and place of the annual meeting to each member, using any written means of communication deemed appropriate by the Board of Directors. Notices of meetings shall be communicated to all Members of the Association at least 30 days before the meeting.

Special Meetings. Special meetings of the Members may be called by the President, a majority of the Board of Directors, or written request of 25% of the Members of the Association, at any time. The purpose of the meeting shall be stated in the call to the meeting and at least 14 days written notice shall be given.

Eligibility to Vote. Only lot owners who have paid dues will be entitled to vote at any meeting of the membership. Each lot owner of record will be entitled to one vote per lot.

Quorum. Owners of a simple majority of the lots eligible to vote will constitute a quorum for the transaction of business at any regular or special meetings of the membership. After two successive meetings of the membership at which a quorum is not obtained, howsoever many members as may attend the third consecutive meetings shall constitute a quorum.

Proxies. Members of the Association may vote in person or by proxy in all meetings of Members except board elections. Every proxy shall be in writing, signed by the Member or his attorney-in-fact, and filed with the Association Secretary/Treasurer before the scheduled meeting. No proxy shall be valid effective for a period longer than the day of the specified meeting unless earlier revoked by the Member, except as otherwise provided by law.

ARTICLE V BOARD OF DIRECTORS

Government. The Association shall be governed by a Board of Directors (the "Board") which shall have all the rights, powers, privileges, and limitations of liability of directors of a non-profit corporation organized under the Non-Profit Corporation Act of North Carolina. The Board shall establish policies and directives governing business and programs of the Association and shall delegate to the President, subject to the provisions of these Bylaws, authority, and responsibility to see that the policies and directives are appropriately followed.

Composition. The Board of Directors shall consist of a President, Vice-President & Secretary/Treasurer and four (4) at-large members, elected by the membership at an annual meeting. The number of Board members may be increased beyond (7) seven members by the affirmative vote of the then-serving Board of Directors. The Board of Directors shall serve until the close of elections at the next annual meeting or until such time as their replacements are elected, whichever may later occur.

Voting. Each Board member shall only have one vote.

Board Compensation. The Board shall receive no compensation. However, nothing in these Bylaws shall be construed to preclude any Board member from serving the Association in any other capacity and receiving compensation for services rendered.

Term of Board. All appointments to the Board shall be for a term of (2) two years.

Vacancies. A vacancy on the Board of Directors may exist at the occurrence of the following conditions:

- a) The death, resignation, or removal of any Director.
- b) The declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, convicted of a felony, found by final order or judgment of any court to have breached a duty pursuant to the Bylaws section dealing with the standards of conduct for a director
- c) An increase in the authorized number of directors; or
- d) The failure of the Members to elect the full authorized number of directors.

Resignation. Except as provided in this paragraph, any director may resign effective upon giving written notice to the President or the Secretary/Treasurer of Association unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be designated to take office when the resignation becomes effective. Unless the Secretary of State of North Carolina is first notified, no director may resign when the Association would then be left without a duly elected director in charge of its affairs.

Any vacancy on the Board may be filled by of the directors then in office, whether or not the number of directors then in office is less than a quorum, or by vote of a sole remaining director. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires. A Board member elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Removal. A Board member may be removed, with or without cause, at any duly constituted meeting of the Board, by the affirmative vote of a majority of the directors then currently in office provided that the director to be removed has been notified in writing.

Minutes. The Secretary shall be responsible for the recording of all minutes of each and every meeting of the Board in which business shall be transacted in such order as the Board may determine from time to time. However, in the event that the Secretary is unavailable, the President shall appoint an individual to function as Secretary at the meeting. The Secretary, or the individual appointed to function as Secretary, shall prepare the minutes of the meetings, which shall be delivered to the Association to be placed in the minute books. A copy of the minutes shall be delivered to each Board member via either regular mail, hand delivered, or emailed within ten (10) business days after the close of each Board meeting.

Board Member Attendance. The Board may deem a Board member who has missed (2) two consecutive meetings to have resigned from the Board.

Powers. The Board of Directors shall have all the powers and rights necessary to administer the Association's affairs and to perform the Association's responsibilities and to exercise its

rights as set forth in these Bylaws, the Declaration, and the Articles of Incorporation provided that such rights and powers are consistent with the provisions of state laws and limited by the provisions of the Association's Declaration. In particular, but not limited to, the Board of Directors have the power to:

- a) manage, control, and restrict the use of the Common Elements of the community and the conduct of the Association Members and their guests by adopting and publishing rules and regulations, and establishing monetary penalties to enforce any lack of compliance.
- b) suspend a member's voting rights and the right to use the Common Elements if a member is in default of any assessment payment due and owing to the Association, or for lack of compliance with the Association's published rules and regulations.
- c) exercise all powers and duties not reserved to the Membership and authorized by these Bylaws, Articles of Incorporation, or the Declaration.
- d) create a vacancy of the office of a Member of the Board of Directors in the event of a Board Member's two (2) consecutive unexcused absences to the regular meetings of the Board of Directors; and
- e) employ and supervise managers, attorneys, independent contractors, or such other employees as the Board of Directors may deem necessary to perform its functions.

Duties. It shall be the Board of Directors' responsibility as provided in the Articles of Incorporation to:

1. Send written notice of each assessment to all Members of the Association.
2. Issue, or to cause an appropriate officer to issue, upon demand by a Member a disclosure packet pursuant to state law.
3. Maintain adequate liability and hazard insurance on all property owned by the Association.
4. Indemnify a past or present director, officer, or committee Member of the Association to the extent such indemnity is required or permitted by state law, the Articles, the Declaration, or these Bylaws.
5. Maintain the Common Elements.
6. Appoint all standing and other committees or chairpersons thereof. This power may be delegated by the Board to the President. Committees shall derive their direction from the Board of Directors.
7. Appoint all persons or organizations to serve the Association.
8. Fill, in the Board's discretion, vacancies on the Board of Directors until the next annual meeting.
9. Appoint annually a three-member Architectural Review Committee. The Committee shall be responsible for interpreting and enforcing the architectural guidelines of the community.
10. Interpret the Bylaws.
11. Establish a budget, and the approval of non-budgeted expenditures. The expenditure of Association funds may only be for a purpose approved by the Board.
12. Establish policies for the Association.
13. Dissolve all standing and other committees as necessary.
14. Maintain a complete and detailed record of all the Association's transactions and acts and furnish said records to the Members when such records are requested in writing by Members who are entitled to vote.

**ARTICLE VI
MEETING OF BOARD OF DIRECTORS**

Regular Meeting. Regular meetings of the Board of Directors shall be held at such times and places as determined by the President.

Special Meetings. Other meetings of the Board of Directors may be called by any members of the Board, or by the call of at least 25% of the members.

Quorum of Directors. At each meeting of the Board of Directors, the presence of a simple majority of the Board members shall constitute a quorum for the transaction of business. If at any time the Board consists of an even number of members and the results of a vote end in a tie, then the vote of the President shall be the deciding vote. If a quorum is not present at a meeting, the Board members present may adjourn the meeting from time to time without further notice until a quorum shall be present. However, a Board member shall be considered present at any meeting of the Board if during the meeting he or she is present via telephone or web conferencing with the other Board members participating in the meeting.

Action of the Board. The act of the Board of Directors shall be valid, if the required quorum is present at the time of the vote, unless otherwise required by the Articles of Incorporation or law.

Notice of Meetings. Regular meetings of the board may be held without notice to the Membership at such time and place, within Wilson County, as it may determine from time to time determine.

Action Without a Meeting. An action that is required or permitted to be taken by the Board of Directors or the committee under these Bylaws, the Articles or the Declaration may be taken without a meeting, only if the action is approved in writing and a resolution is adopted authorizing the action. The written consents and resolution shall be filed with the minutes of the proceedings and Association's records.

**ARTICLE VII
OFFICERS AND THEIR DUTIES**

Officers. The officers of the Association shall be the President, a Vice-President, a Secretary/Treasurer. The position and duties of the Secretary/Treasurer may be separated into two positions if approved by the a majority vote of the Board.

Term of Office. Officers shall assume their duties at the close of the meeting at which they are elected. Officers shall serve for a term of two (2) years or until their successors are elected.

Elections. The officers shall be elected at the annual meeting.

Vacancy in Office. A vacancy in any office shall be filled by the Board of Directors.

Removal and Resignation. Any officer elected or appointed by the board may be removed by the board with or without cause provided that the officer to be removed has been notified in writing . In any event of the death, resignation or removal of an officer, the board in its discretion may elect or appoint a successor to fill the unexpired term.

Duties. Officers shall perform the duties provided in this section and such other duties as prescribed for the office in these Bylaws.

- A. **President.** The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and of the Board of Directors to ensure that all orders and resolutions of the board are carried into effect.
- B. **Vice-President.** During the absence or disability of the President, the Vice-President shall have all the powers and functions of the President and perform such duties as the board shall prescribe.
- C. **Secretary/Treasurer.** The Secretary/Treasurer shall:
 - 1) be the official custodian of all records of the Association and send all official correspondence in the name of the Association.
 - 2) attend all meetings of the Association.
 - 3) keep the minutes of the Association and the Board record all votes and minutes of all proceedings in a book to be kept for that purpose.
 - 4) give or cause to be given notice of all meetings of Members and of special meetings of the board.
 - 5) prepare and make available a list of Association Members entitled to vote, indicating the names and addresses at each membership meeting.
 - 6) maintain all the Association documents and records in a proper and safe manner as required by state law; and
 - 8) Keep and be responsible for all funds of the Association and shall keep the membership records.
 - 9) Deposit all funds into a federally insured bank or savings and loan account in the name of Southpointe Homeowners Association and shall be withdrawn only by the Treasurer or President.
 - 10) Have the custody of the Association funds.
 - 11) Maintain complete and accurate accounts of receipts and disbursements in the Association books.
 - 12) Disburse the funds of the Association as may be ordered or authorized by the board and preserve proper vouchers for such disbursements.
 - 13) Render to the President and board at the regular meetings of the board, or whenever they require it, an account of all his transactions as Treasurer and of the financial condition of the Association.
 - 14) Render a full financial report at the annual meeting of the Members.
 - 15) Be furnished by all Association officers and agents at his request, with such reports and statements as he may require as to all financial transactions of the Association.
 - 16) Perform such other duties as are given by these Bylaws or as from time to time are assigned to him by the board or the President.

ARTICLE VIII STANDARD OF CARE

General. A director shall perform all the duties of a director, including, but not limited to, duties as a member of any committee of the Board on which the director may serve, in such a manner as the director deems to be in the best interest of the Association and with such care, including

reasonable inquiry, as an ordinary, prudent, and reasonable person in a similar situation may exercise under similar circumstances.

Duty to Disclose. In connection with any actual or possible conflict of interest, a conflicted person must disclose the existence of a conflict and be given the opportunity to disclose all material facts to the directors who are considering the proposed transaction or arrangement.

Establishing a Conflict of Interest. After the disclosure of the conflict of interest and all material facts, and after any discussion with the conflicted person, the conflicted person shall leave the Board meeting while the potential conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

Addressing a Conflict of Interest. In the event the Board should establish that a proposed transaction or arrangement establishes a conflict of interest, the Board shall then proceed with the following actions:

- a) Any conflicted person may render a request or report at the Board meeting, but upon completion of said request or report the individual shall be excused while the Board discusses the information and/or material presented and then votes on the transaction or arrangement proposed involving the possible conflict of interest.
- b) The President shall, if deemed necessary and appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the Board shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d) If a more advantageous transaction or arrangement is not possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of the Association, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction arrangement in conformity with this determination.

ARTICLE IX COMMITTEES

Process. The Board of Directors may, from time to time, and by resolution adopted by a majority of the directors then in office provided that a quorum is present, designate one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these Bylaws.

Membership. Each such committee shall consist of at least one (1) Director and may also include persons who are not on the Board but whom the directors believe to be dependable and competent to serve at the specific committee. The Board may designate one or more alternative members of any committee who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the directors then in office, provided that a quorum is present. The Board of Directors may also designate one or more advisory committees that do not have the authority of the Board.

Powers. No committee, regardless of Board resolution, may:

- a) Approve of any action that, pursuant to applicable Law, would also require the affirmative vote of the members of the Board if this were a membership vote.
- b) Fill vacancies on, or remove the members of, the Board of Directors or any committee that has the authority of the Board.
- c) Fix compensation of the directors serving on the Board or on any committee.
- d) Amend or repeal the Articles of Incorporation or bylaws or adopt new bylaws.
- e) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.
- f) Appoint any other committees of the Board of Directors or their members.
- g) Approve a plan of merger, consolidation, voluntary dissolution, bankruptcy, or reorganization; or a plan for the sale, lease, or exchange of all or considerably all of the property and assets of the Association otherwise than in the usual and regular course of its business; or revoke any such plan.
- h) Approve any self-dealing transaction, except as provided pursuant to law.
- i) Unless otherwise authorized by the Board of Directors, no committee shall compel the Association in a contract or agreement or expend Association funds.

Meetings and Actions of Committees. Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of these Bylaws concerning meetings and actions of the Directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Association records. The Board of Directors may adopt rules not consistent with the provisions of these bylaws for the governance of any committee.

Permanent Committees. The Architectural Review Committee shall be considered a permanent committee established by the Board of Directors. Other permanent committees shall be established by resolution adopted by a majority of the directors then in office provided that a quorum is present.

Architectural Review Committee. Appointed annually, the Architectural Review Committee is a three-member Committee responsible for interpreting and enforcing the architectural guidelines of the community.

ARTICLE X BOOKS AND RECORDS

Execution of Corporate Instruments. The Board of Directors may, at its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Association. Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the Association, promissory notes, deeds of trust,

mortgages, other evidence of indebtedness of the Association, other Association instruments or documents shall be executed, signed, and/or endorsed by the President.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Association, or in special accounts of the Association, shall be signed by the Treasurer or other such person or persons as the Board of Directors shall authorize to do so.

Loans and Contracts. No loans or advances shall be contracted on behalf of the Association and no note or other evidence of indebtedness shall be issued in its name unless and except as the Board of Directors authorize the specific transaction. Without the express and specific authorization of the Board, no officer or other agent of the Association may enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association.

Maintenance and Inspection of Articles and Bylaws. The Association shall keep at its principal office the original or a copy of its Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the directors at all reasonable times during office hours.

Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns. The Association shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

Maintenance and Inspection of Other Corporate Records. The Association shall keep adequate and correct books and records of accounts and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at a place or places as designated by the Board and committees of the Board, or in the absence of such designation, at the principal office of the Association. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the Association shall turn over to his or her successor or the President, in good order, such Association monies, books, records, minutes, lists, documents, contracts or other property of the Association as have been in the custody of such officer, employee, or agent during his or her term of office. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Association and each of its subsidiary corporations/organizations. The inspection may be made in person or by an agent or attorney and shall include the right to copy and make extracts of documents.

Preparation of Annual Financial Statements

The Association shall prepare annual financial statements using generally accepted accounting principles. Such statements are not required to be audited by an independent certified public accountant, in conformity with generally accepted accounting standards unless specifically requested by the Board of Directors. The Association shall make these financial statements available to the Secretary of State of North Carolina and members of the Association for inspection no later than 30 days after the close of the fiscal year to which the statements relate.

Reports. The Board shall ensure an annual report is sent to all directors within 30 days after the end of the fiscal year of the Association, which shall contain the following information:

- a) The assets and liabilities, including trust funds, of this corporation at the end of the fiscal year.

- b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- c) The expenses or disbursements of the Corporation/Organization for both general and restricted purposes during the fiscal year.
- d) The information required by Non-Profit Corporation Act concerning certain self-dealing transactions involving more than \$50,000 or indemnifications involving more than \$10,000 which took place during the fiscal year.
- e) The report shall be accompanied by any pertinent report from an independent accountant if requested by the Board, if there is no such report, the certificate of an authorized officer of the Association that such statements were prepared without audit from the books and records of the Association.

**ARTICLE XI
AMENDMENTS**

Amendment. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Effective Date. Amendments to these Bylaws are effective upon their approval in the manner set forth above, unless a later effective date is specified therein.

CERTIFICATION

I the undersigned, to hereby certify:

THAT I am the duly elected and acting President of **Southpointe Homeowners Association of Wilson, Inc.**, a North Carolina corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted at a meeting of the Board of Directors thereof, held on the **11th day of January 2022.**

IN WITNESS WHEREOF, I have hereunto subscribed my name this 11 day of January, 2022.

By: **Tracy Anderson**

Name: *Tracy Anderson*

Title: **President**