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Pitt County, NC
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BY-LAWS

OF

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TABERNA SECTION III HOMEOWNERS ASSOCIATION, INC.

ARTICLE I:

NAME AND LOCATION

The name of the Corporation is TABERNA SECTION III HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located in Pitt County, North Carolina, but meetings of members and directors may be held at such places within the State of North Carolina, County of Pitt, as may be designated by the Board of Directors.

ARTICLE II:

DEFINITIONS

Section 1: "Association" shall mean and refer to TABERNA SECTION III HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2: "Properties" shall mean and refer to that certain real property located in the various Sections and Additions to TABERNA, PHASE I, II AND III and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3: "Common Area" shall mean all real property owned by or used by the Association for the common use and enjoyment of the owners.

Section 4: "Lot" shall mean and refer to any numbered or lettered plot of land shown upon any recorded subdivision map of the properties with the exception of the common area.

Section 5: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6: "Member" shall mean and refer to those persons entitled to membership, including all owners in Phase III and all persons who own lots in Phases I and II, who elect to join voluntarily and their subsequent purchasers.

Section 7: "Mortgagee" shall mean and refer to persons, firms or corporations holding a recorded lien appearing of record in the Pitt County Registry against any lot as defined in Section 4 hereof.

Section 8: "Declaration" shall mean and refer to all Declarations of Covenants, Conditions, and Restrictions of Phases I, II and III of Taberna applicable to the Property recorded in the Pitt County Registry.

ARTICLE III:

PURPOSES AND OBJECTS

In amplification of the purposes and objects for which the Association has been formed as set forth in the Articles of Incorporation and further stated herein, the purposes are as follows:

- (a) To foster a safe and healthful environment and promote the general welfare of the Members.
- (b) To care for, protect and repair all common areas, and to maintain the entrances to each Phase of Taberna and maintain the berms along Davenport Farm Road and Frog Level Road within Phases I, II and III of Taberna, to pay for common area lighting, and any other improvements or facilities of any kind dedicated to common use and other open spaces or ornamental features of the Properties which now exist or which may hereafter be installed or constructed therein.
- (c) To cooperate with the owners of all unimproved plots now existing or that hereafter shall exist in the Properties keeping them in good order and condition, in preventing them from becoming a nuisance and a detriment to the beauty of the Properties and to the value of the improved property therein, and to take any action with reference to such unimproved plots as may be necessary or desirable to keep them from becoming a nuisance and detriment.
- (d) To aid and cooperate with the Members in the enforcement of the Declarations as well as any other conditions, covenants, and restrictions as shall hereafter be approved by a unanimous vote of the Members of the Association.
- (e) In general, but in connection with the foregoing, to do any and all things necessary to promote the general welfare of the residents and owners of any portions of the Properties and their property interests therein.
- (f) To acquire, own, or lease such real and personal property as may be necessary or convenient for the transaction of its business and the fulfillment of its purposes and objects, and to exercise all rights, powers and privileges of ownership to the same extent as natural persons might or could do.
- (g) To exercise any and all powers that may be delegated to it from time to time by the Owners.
- (h) This Association will not engage in political activity or pursue political purposes of any kind or character.

ARTICLE IV:

MEMBERS

(a) Class of Members: The Association shall have such classes of Members as named in the Declaration. The qualifications and rights shall be as follows:

1. Every beneficial owner, as distinguished from a security owner, of property in Pitt County, North Carolina, as described in the Declaration shall be a Member.
2. Membership shall include an undertaking by the applicant to comply with and be bound by the Articles of Incorporation, these By-Laws and amendments thereto, the Declarations, and the policies, rules, and regulations at any time adopted by the Association in accordance with these By-Laws.
3. Membership in this Association shall terminate on a Member's ceasing to be a beneficial owner of the property.

(b) Voting Right: Each family unit, regardless of number of members in the family, shall be entitled to one vote for each lot owned.

1. At membership meetings all votes may be cast in person, or by proxy.
2. The Board of Directors is authorized to establish regulations providing for voting by mail.

ARTICLE V:

MEETINGS OF MEMBERS

Section 1: Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day and the same month of each year thereafter, at the hour of 2:00 o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2: Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3: Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least 20 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the

Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4: Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5: Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE VI:

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1: Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefore in Phase III and any owner in any other Phase who voluntarily executes the Amendment to Declaration of Covenants submitting their lot and By-Laws of TABERNA SECTION III HOMEOWNERS ASSOCIATION, INC. is deemed to covenants and agree to pay to the Association: (1) annual assessment or charges for maintenance and electricity on all common areas, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each sum assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time of the assessment. Such assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2: Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the maintenance of entranceways and berms, including but not limited to, landscaping maintenance, the cost of repairs and maintenance, electricity, replacements and additions, the cost of labor, equipment, materials management and supervision, the payment of taxes assessed against any Common Area, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Basis and Maximum of Annual Assessments. No assessments shall be made on any lot until the platted lot shall have been conveyed by deed, however see Section 6 herein. The maximum annual assessment shall be \$240,00 per originally platted lot.

- (a) From and after January 1, 2008, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) from the preceding month of July.
- (b) From and after January 1 of the year immediately following January 1, 2008, the maximum annual assessment for the next succeeding two (2) years may be increased above that established by the Consumer Price Index formula by a vote of the members, and for each succeeding period of two (2) years thereafter, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.
- (c) The Board of Directors may fix an annual assessment at an amount not in excess of the maximum.

Section 4: Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at the meeting duly called for this purpose.

Section 5: Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6: Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided herein shall commence as to all Lots on July 1, 2008. However, it is not the intent of the owners to assess any Lot during the construction phase. That is to say the initial lot owner who receives a deed from the Declarant shall not pay assessments until the initial owner receives a certificate of occupancy from the local governing authority. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessments against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 7: Effect of Nonpayment of Assessment and Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent per annum. The Association may bring an action at law against the owners personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape or deny liability for the assessments provided herein by non-use of the Common Area or abandonment of his Lot.

Section 8: Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII:

BOARD OF DIRECTORS

Section 1: Number. The affairs of this Association shall be managed by a Board of at least three (3) directors, who must be members of the Association, which can also be the President, Vice-President and Secretary-Treasurer of the Association.

Section 2: Term of Office. At the first annual meeting the members shall elect one-third (1/3) of the directors for a term of one (1) year, one-third (1/3) of the directors for a term of two (2) years and

one-third (1/3) directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect directors for a term of three years to replace those whose terms have expired.

Section 3: Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4: Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5: Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VIII:

NOMINATION AND ELECTION OF DIRECTORS

Section 1: Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2: Election. Election to the Board of Directors shall be by secret ballot. At such election the members of their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

ARTICLE IX:

MEETING OF DIRECTORS

Section 1: Regular Meetings. Regular meetings of the Board of Directors shall be held no less than quarterly without notice at such place and hour as may be fixed from time to time by resolution of the

Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2: Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association or by any two directors after not less than three (3) days notice of each director.

Section 3: Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE X:

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1: Powers. The Board of Directors shall have power to:

- (a) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws and the Articles of Incorporation.
- (b) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

Section 2: Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed,
- (c) as more fully provided in the Declaration, to:
 - 1. fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;
 - 2. send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- (e) cause such repairs and maintenance as are enumerated in the Declarations of Covenants, Conditions and Restrictions, the Articles of Incorporation and these By-Laws.
- (f) Procure a general liability insurance policy to insure against loss or liability by the Association, its members, officers, agents and directors.
- (g) File a lien against any lot and lot owner for non-payment of assessed homeowner's dues and proceed to enforce the lien through proper foreclosure procedures as allowed in NCGS Section 44-A.

ARTICLE XI:

OFFICERS AND THEIR DUTIES

Section 1: Enumeration of Officers. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary, a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2: Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3: Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or until his successor is elected and qualified, unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4: Special Appointments. The Board may elect such officers as the affairs of the Association may require, each of whom shall hold office for such period, having such authority and perform such duties as the Board may, from time to time, determine.

Section 5: Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6: Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaced.

Section 7: Multiple Officer. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8: Duties. The duties of the officers are as follows:

President

- (a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

- (b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

- (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

- (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and, shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy of each to the members.

ARTICLE XII:

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable hours, be subject to inspection by any member or a mortgagee of any member. The Articles of Incorporation and By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XIII:

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: TABERNA SECTION III HOMEOWNERS ASSOCIATION, INC.” and the words: “CORPORATE SEAL” in the center thereof.

ARTICLE XIV:

AMENDMENTS

Section 1: These By-Laws 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.

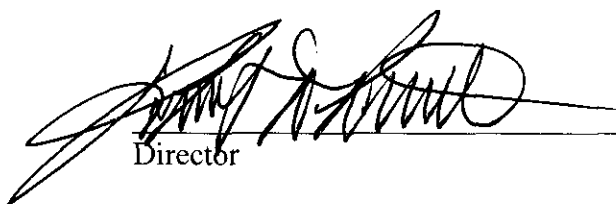
Section 2: In the case of any conflict between the Articles of Incorporation and these By-Laws, these By-Laws shall control;

ARTICLE XV:

MISCELLANEOUS

The fiscal year of the Association shall begin on January 1 of every year and end on December 31 of every year, except that the first fiscal year shall begin in the date of incorporation.

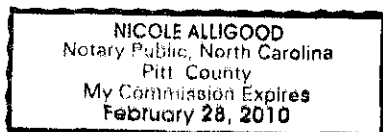
IN WITNESS WHEREOF, I being the initial director of TABERNA SECTION III HOMEOWNERS ASSOCIATION, INC., have hereunto set my hand and seal, this the 2nd day of January, 2008.


 (SEAL)
Director

STATE OF NORTH CAROLINA
COUNTY OF PITT

I, **NICOLE ALLIGOOD**, a Notary Public in and for the aforesaid County and State, do hereby certify that Robert D. Parrott either personally known to me or proven by satisfactory evidence (said evidence being NCDL) appeared before me this day, and after being duly sworn, acknowledged the due execution of the foregoing By-Laws **TABERNA SECTION III HOMEOWNERS ASSOCIATION, INC.**, and certify that the same is true.

WITNESS, my hand and notarial seal, this the 2nd day of January, 2008.




NICOLE ALLIGOOD, Notary Public
My Commission Expires: 2-28-10