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STATE OF NORTH CAROLINA
COUNTY OF SAMPSON

FIRST AMENDMENT TO DECLARATIONS OF COVENANTS AND RESTRICTIONS
FOR "TAYLORS CREEK SUBDIVISION, PHASE 1", AS RECORDED IN MAP
BOOK 107, PAGE 10, SAMPSON COUNTY REGISTRY AND THAT
"RECOMBINATION SURVEY FOR TAYLOR'S CREEK SUBDIVISION,
PHASE 1, LOTS 53, 54 AND 55 AND COMMON AREA" AS RECORDED
IN BOOK 108, PAGE 19, SAMPSON COUNTY REGISTRY

THIS AMENDMENT TO DECLARATIONS OF COVENANTS AND RESTRICTIONS FOR "TAYLORS CREEK SUBDIVISION, PHASE I" (Amendment), is made and entered into this 25 day of June, 2021, by **ROY V. TEW, III and JT PROPERTY MANAGEMENT OF NC, LLC**, a North Carolina Limited Liability Company (collectively: Declarant), 117 E. Stoneybrook Court, Benson, NC 27504,

WITNESSETH:

WHEREAS, pursuant to those Declarations of Covenants and Restrictions for "Taylors Creek Subdivision, Phase I" recorded in Book 2088, Page 360, Sampson County Registry, Declarant Roy V. Tew, III reserved the right to unilaterally alter, change and amend the Covenants and Restrictions and this Declarant desires to amend the Declarations of Covenants and Restrictions as set forth herein; and

WHEREAS, a "Recombination Survey for Taylor's Creek Subdivision, Phase 1, Lots 53, 54 and 55 and Common Area was recorded in Book 108, Page 19, Sampson County Registry for purposes of recombining said lots, expanding the common area and providing for Utility Easements, Drainage Easements and Private Septic Easements as set forth therein; and

submitted electronically by "Jones and Jones, P.L.L.C."
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Sampson County Register of Deeds.

WHEREAS, the Declaration also reserved the express rights of the Declarant to form a homeowner's association at any time for the purpose of maintaining the common areas and for any such other lawful purpose as the Declarant desires; and each and every Lot owner, by accepting a deed for any Lot in the Subdivision, agrees to and shall be a member and be subject to the rules and regulations of such Association; and

WHEREAS, the Declarant desires to incorporate into the Declaration standard provisions regarding the new homeowner's' association, membership therein, and rules and regulations related thereto, which shall be binding upon each and every Lot owner; and

WHEREAS, the Declarant hereby amends the Declaration, as follows:

NOW, THEREFORE, pursuant to rights as reserved in the Declarations and in consideration of the covenants herein contained and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Declarant Roy V. Tew, III hereby amends the Declarations and Declarant JT Property Management of NC, LLC, hereby joins in said Amendment as follows:

1. Paragraph 7 is deleted in its entirety.
2. A new paragraph 7 is added and inserted as follows:

7. UPKEEP:

A. The exterior of all dwellings shall be maintained in good appearance, and the lots shall be kept clean, neat and free from litter at all times and the grass and yard shall be kept clean and mowed. All dead trees and shrubbery shall be removed in a timely manner after notice in writing from the Declarant. In the event that a lot is not properly maintained, the Declarant reserves the right to mow, cut and clean the lot and charge lot owner for these services, and said charge shall be a lien against the property.

B. No ornamental pear trees including but not limited to "Bradford" Pear trees shall be planted within the subdivision. Nothing herein is intended to prohibit the planting of any fruit bearing pear trees however.

7.1 COMMON AREAS:

A. The Common Areas of the subdivision, including but not limited to the Pavilion, are for the use and enjoyment of owners of Taylors Creek residences and their guests, every owner and every tenant and guest of such owner shall have a right of easement of enjoyment (including the right of ingress, egress and regress) in, over, and upon the Common Property and such easement shall be appurtenant to and shall pass with the title of every Lot, subject to the provisions of this

Declaration, any additional rules and regulations enacted by the Association, and any fees or charges established by the Association. Notwithstanding, it is the duty of each owner to utilize the common areas in a responsible manner and to remove all trash, refuse, and other debris that they may generate during any such use. Likewise, each owner does hereby indemnify and hold harmless Declarant, its heirs, successors, and assigns, for any and all damage, including death or bodily injury, that owners or their guests incur due to their own negligence.

B. Lot 36 common area. Lot 36 shall be a non-maintained natural wooded area. Lot owners may not use this area for hunting, trapping, overnight camping, tree house erecting or timber harvesting (not to include dead or fallen trees), Use of motor driven vehicles is strictly prohibited. This area may be used for walking, hiking and picnic type activities. The declarant or HOA may at their discretion construct walking trails. Lot owners 14, 15, 16, 17, 18, 19, 20, 21 and 22 may not remove any tree from the common area that may encroach on their property without prior approval from declarant or HOA. The lot owners are responsible at their sole expense for removal of any trees or brush that may fall onto said lots. The Declarant or HOA may not deny any reasonable ingress/egress through Lot 36 to allow for such removal of trees or debris.

3. That paragraph 28 is deleted in its entirety.
4. A new paragraph 28 is added and inserted as follows:

28. DRAINAGE EASEMENTS AND OFF SITE SUBSURFACE WASTE DISPOSAL DRAIN FIELDS.

A. Throughout the subdivision, there are easements for proper drainage that are located on lot lines as set forth in the aforementioned recorded Map(s). Lot owners are forbidden to take any action that restricts drainage, including but not limited to placing any temporary or permanent structures on the easement. The maintenance of such easements is the responsibility of the declarant/HOA. Lot owners may not restrict reasonable access to inspect or maintain such easements.

B. Lot 55 will be serviced by an offsite subsurface waste disposal drain field that will be located in the Common Area C as referenced on the aforementioned recorded Map(s). Lots 53 and 54 and the Common Area C will each be subject to a 20 ft. septic supply line easement in addition to the 20 ft. utility easement that is on all lots in the subdivision and shall provide free and unimpeded access for any construction or work necessary for the repair or maintenance of said supply line. Lots 53 and 54 will be required to install appropriate size Schedule 40 or greater conduit beneath any driveways. Septic easements shall remain free of structures, fences, landscaping (other than grass), or any activities that would interfere with

the integrity and maintenance of the easements. The Declarant or HOA is responsible for mowing the off-site area located in Common Area C. The lot owner of lot 55 is solely responsible for the cost of any repairs to the system and for the cost of any repairs for damage done to the system during work to Lots 53, 54 and Common area C and shall ensure that the property affected is returned to the same or similar condition as existing prior to any repairs.

5. A new subparagraph **22. B.** is added and asserted as follows:

22.

B. DEFINITIONS. THE ASSOCIATION. COMMON PROPERTY. MAINTENANCE ASSESSMENTS. FUNCTIONS OF ASSOCIATION.

Definitions:

(a) "Association" shall mean and refer to Taylor's Creek Homeowners Association, Inc., a North Carolina non-profit corporation;

(b) "Board" or "Board of Directors" shall mean those persons elected or appointed as the board of directors of the Association;

(c) "Bylaws" shall mean and refer to the adopted bylaws of Taylor's Creek Homeowners Association, Inc., a copy of which are attached hereto as Exhibit A;

(d) "Common Property" shall mean and refer to any open space or other acreage in or adjacent to the Subdivision in which the Association becomes the record owner. The term Common Property shall also include any personal property acquired by the Association for the benefit of the Subdivision, if any. All Common Property shall be utilized for the common use and enjoyment of the Owners, their families, tenants, and guests, subject to any rules and regulations adopted by the Association or as set out in the Restrictive Covenants, as may be amended;

(e) "Common Expenses" shall mean and include:

(1) Expenses of maintaining, improving, and repairing the Common Property, including, but not limited to, yard and landscaping, all signage located thereon, and amenities located thereon;

(2) Expenses declared to be common expenses by the provisions of this Declaration or by the provisions of the Bylaws.

(3) Any liability or other insurance premiums as the Declaration or the Bylaws may require the Association to purchase, or as the Association may deem appropriate to purchase in its fiduciary discretion;

(4) Ad valorem taxes and any public assessment charges which may be lawfully levied against any Common Property, if any;

(5) Any other expenses determined by the Board, or voted upon and approved by the Owners, to be common expenses of the Association;

(f) "Owner" shall refer to membership in the Association, and shall include the Declarant (and its designated officers, employees or agents) and all Lot owners.

(g) "Period of Declarant Control" means the period commencing on the date hereof and continuing until the later of (i) one (1) year after the Declarant no longer owns a Lot, or (ii) Declarant no longer owns any land (regardless of when acquired) which Declarant may annex into the Subdivision at a later time [it being agreed that such Period of Declarant Control shall not expire in such context until Declarant no longer owns a future/annexed lot in the Subdivision]. The above notwithstanding, the Declarant may voluntarily terminate such Period of Declarant Control at any time by recording a memorandum evidencing same in the local Registry.

Property Rights in Common Property:

Section 1. *Title to Common Property.* The Declarant covenants for itself, its successors and assigns, that it shall convey any platted Common Property to the Association prior to, or promptly after the expiration of, the Period of Declarant Control. The Common Property shall be conveyed to the Association subject to all easements, restrictions, covenants, and conditions of record as of the date of such conveyance, including the terms of this Declaration.

Covenants for Maintenance Assessments:

Section 1. *Creation of Lien and Personal Obligation of Assessments.* Each Owner of a Lot is deemed to covenant and agree to pay to the Association periodic assessments (to be paid annually, or as otherwise determined in the discretion of the Association), in addition to the one-time fee of \$100.00, which are for Common Expenses. All assessments, together with interest and costs, and reasonable attorneys' fees for collection, shall be a charge on the land and shall be a continuing lien upon each and every Lot. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when such assessment fell due. The personal obligation for the delinquent assessments shall not pass to an Owner's successors in title unless such delinquent assessments are expressly assumed by them; however, any lien as referenced above shall run with the title to each Lot.

Each Owner covenants to pay each and every assessment levied by the Association within ten (10) days of the due date as established by the Association; and further covenants that if such assessments are not to be paid within thirty (30) days of the due date, the payment of such assessments shall be in default, and the amount thereof shall become a lien upon said Owner's Lot, as provided herein, and shall continue to be such lien until paid in full.

Section 2. *Purpose of Assessments.* The assessments levied by the Association shall be used exclusively for the paying for the Common Expenses of the Subdivision. The Association is authorized to devote a portion of the collected assessments toward a working capital or reserve fund for the benefit of the Association.

Section 3. *Amount of Assessment.*

(a) *Criteria for Establishing Periodic Assessment.* In establishing the periodic assessment for any year, the Board of Directors shall consider all anticipated expenses of the Association, any accrued debts, and reserves for future needs;

(b) *Board Authority.* Until such time as the Board affirmatively establishes an initial assessment, the annual assessment shall be zero dollars (\$0.00);

(c) *Special Declarant Rights.* The Declarant reserves the right to not pay periodic or special assessments on any Lot owned by Declarant, as long as Declarant is marketing any such Lot for sale (whether improved or unimproved) to a builder or third party. In addition, the Declarant reserves the right to waive or discount assessments against Lots owned by builder, as long as such builders are constructing a dwelling unit upon any such Lot and/or marketing any such Lot for sale, said right to be exercised in the sole discretion of the Declarant.

Section 4. *Uniform Rate of Assessment.* Both periodic and special assessments must be fixed at a uniform rate for all Lots, except as may be otherwise provided elsewhere herein.

Section 5. *Date of Commencement of Initial Annual Assessments; Due Dates.* The annual assessments provided for herein shall commence as to all Lots on as of February 1, 2022. The due dates shall be established in the discretion of the Association.

All builders shall be exempt from paying annual assessments on any Lot in which they intend to construct a single family home for sale to a third-party buyer; however, such builder exemption shall expire upon the earlier to occur of (i) the sale of such Lot to a third-party buyer, or (ii) two (2) years from the builder's purchase of such Lot, at which time assessments shall commence to accrue upon such Lot (and become due and payable).

Section 6. *Effect of Nonpayment of Assessments; Remedies of the Association.* Subject to the provisions of the North Carolina Planned Community Act, any assessment not paid within thirty (30) days after the due date shall be delinquent, in default and shall bear interest from the date in which said assessment became delinquent at the rate of one and half percent (1.5%) per month (or, 18% per year) (subject to a higher or lower rate of interest, as may be subsequently approved by the Association, and in accordance with applicable laws). In addition to charging interest on any delinquent assessment, the Association may impose the maximum fee for late payment of assessments, as allowed by the North Carolina Planned Community Act. The Association may bring an action at law against the owner personally

obligated to pay the same for the amount of the delinquent assessment (plus interest, costs, late payment charges, and reasonable attorneys' fees), or the Association may foreclose the lien against the Lot. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any Common Property or abandonment of his/her Lot.

The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the Office of the Clerk of Superior Court of Sampson County, which claim shall state the description of the Lot encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien may be filed by the Association any time after thirty (30) days after the due date of the assessment (or any installment thereof), and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been paid in full. Any such claim of lien shall include all assessments which are due and payable when the claim of lien is filed (plus interest, costs, late payment charges, and reasonable attorneys' fees). Such claims of lien shall be signed by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the claim of lien shall be cancelled of record by the Association with the Office of the Clerk of Superior Court.

Functions of Association:

Section 1. *Authorized Services.* The Association shall be authorized to provide the following services:

(a) to maintain and repair the Common Property and all improvements located thereon;

(b) To perform any and all services necessary or desirable to carry out the obligations and business activities of the Association as may be reasonably required or inferred by the terms of this Declaration or by the terms of the Bylaws;

(c) to take any and all actions necessary to enforce the terms contained in this Declaration, including but not limited to fining and providing appropriate due process with respect to any Owner, for violating any such terms;

(d) to provide for all necessary administrative services, including but not limited to acquiring liability insurance on Common Property (as required or desired); handling legal matters, accounting and financial matters; providing communication services (including, but not limited to providing notices of meetings, activities, and other matters); and handling payment of expenses;

(e) to enact and publish reasonable additional rules and regulations that shall be binding upon all Owners within the Subdivision as any such need arises;

(f) to provide any and all other services reasonably necessary to perform its obligations under this Declaration;

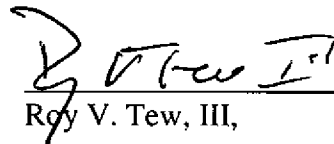
(g) upon the termination of the Period of Declarant Control, the Association shall be authorized, and is hereby fully empowered by the Declarant and this Declaration, to mow, cut and clean any Lot, in the event the Lot is not properly maintained, and charge the Lot owner for these services, and said charge shall be a lien against the Lot.

Section 2. *Information.* The Association shall make available to all Owners (and their mortgage lenders, upon request), a current copy of this Declaration, any amendments to this Declaration, a current copy of the Bylaws of the Associations (and any amendments thereto), any published rules and regulations of the Association (if any), as well as the books, records and financial statements of the Association.

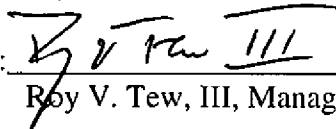
“Available” shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances, as appropriate. The cost of reproduction of such documents shall be paid by the requesting party.

6. Except as specifically amended herein, the Declarations remain unchanged and in full force and effect and the Declarants by their execution hereof, hereby ratify, affirm and approve the Declarations, as specifically amended hereby.

IN TESTIMONY WHEREOF, the Declarant, Roy V. Tew, III and JT PROPERTY MANAGEMENT OF NC, LLC, have signed this instrument as the Declarant the day and year first above written.

 _____ (SEAL)
Roy V. Tew, III,

JT PROPERTY MANAGEMENT
OF NC, LLC

By:  _____ (SEAL)
Roy V. Tew, III, Manager

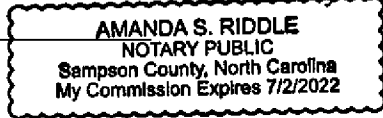
NORTH CAROLINA,
HARNETT COUNTY.

I, Amanda S Riddle, a Notary Public, hereby certify that **ROY V. TEW, III** personally appeared before me this day and acknowledged the due execution of the foregoing deed of conveyance.

WITNESS my hand and Notarial Seal, this 25 day of June, 2021.

Amanda S Riddle
Notary Public

My commission expires:



NORTH CAROLINA,
HARNETT COUNTY.

I, Amanda S Riddle, a Notary Public, hereby certify that **JT PROPERTY MANAGEMENT OF NC, LLC**, a North Carolina Limited Liability Company, by and through its Manager, **ROY V. TEW, III**, personally appeared before me this day and acknowledged the due execution of the foregoing deed of conveyance.

WITNESS my hand and Notarial Seal, this 25 day of June, 2021.

Amanda S Riddle
Notary Public

My commission expires:

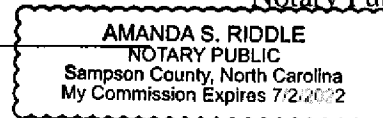


EXHIBIT "A"

**BYLAWS
OF
TAYLOR'S CREEK HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I.
BUSINESS ADDRESS**

The initial business address of Taylor's Creek Homeowners Association, Inc. (the "Association") shall be 501 S. Layton Ave., Dunn, NC 28334. The business address may be changed by the Board of Directors of the Association in its discretion, or, upon approval of the membership for any reason.

**ARTICLE II.
MEMBERSHIP IN THE ASSOCIATION**

Every person or entity who is a record owner of a fee or undivided fee interest in any of the lots (the "Lots") in any phase of Taylor's Creek residential subdivision (the "Subdivision"), in Sampson County, North Carolina, shall be a member of the Association. Ownership of such interest shall be the sole qualification for membership, and membership shall be appurtenant to and may not be separated from such ownership.

**ARTICLE III.
PURPOSES OF THE ASSOCIATION**

The purposes and duties of the Association shall be:

- A. To manage the Subdivision pursuant to the terms and provisions of that certain Declaration of Covenants and Restrictions for Taylor's Creek (said document to be, or having been, recorded in the Sampson County Registry, as such may be amended) (as amended, the "Declaration"); these bylaws (the "Bylaws"); any rules and regulations promulgated by the Association or its Board of Directors (the "Rules and Regulations"); and otherwise in general accordance with the North Carolina Planned Community Act as codified in Chapter 47F of the North Carolina General Statutes;
- B. To enforce the provisions of these Bylaws, the Declaration, and any Rules and Regulations promulgated by the Association or its Board of Directors;
- C. To promote and protect the enjoyment and beneficial use and ownership of all of the Lots within the Subdivision.

No part of the net earnings of the Association shall inure to the benefit of its members, the members of its Board or its officers, or to any other person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the above stated purposes.

ARTICLE IV.
ASSESSMENTS.

The Association shall make and collect assessments against the Lots as stated in the Declaration and as authorized by Chapter 47F of the North Carolina General Statutes.

ARTICLE V.
MEETINGS OF MEMBERS

Section 1. Place of Meetings. All meetings of members shall be held at such place in Sampson County, North Carolina, as shall be designated on the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.

Section 2. Annual Meetings. The annual meeting of the members shall be held during the same month each year as determined by the Board of Directors, for the following purposes:

1. to ratify or reject the summary of the proposed budget submitted by the Board of Directors pursuant to Article VI below;
2. to elect the Board of Directors of the Association (subject to the provisions of the Declaration) for the coming fiscal year; and
3. to transact any other business that may come before the membership, including but not limited to the adoption, modification and/or repeal of any Rules and Regulations governing the Subdivision.

Section 3. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article V. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. Special Meetings. Special meetings of the members may be called at any time by the President or the Board of Directors of the Association, or upon the written request of not less than ten percent (10%) of the members.

Section 5. Notice of Meetings. Written notice of the meeting shall be delivered not less than ten (10) nor more than sixty (60) days (unless otherwise provided in the Declaration) before the date of any members' meeting, either personally, by mail, or by electronic mail over the internet, by or at the direction of the President, the Secretary, or other person calling the meeting, to each member of record. The notice shall state the time and place of the meeting and shall also state the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes and any proposal to remove an officer/director. If mailed, such shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his/her address as it appears on the record of members of the Association, with postage thereon prepaid. If sent by electronic mail over the internet, such shall be deemed to be delivered when sent by electronic email

to an electronic mailing address designated in writing by the Lot owner. It shall be the responsibility of the individual members to keep the Secretary informed of their current addresses. In the absence of instructions from an individual member as to his/her address, the Secretary shall be entitled to rely on the most recent records of the Sampson County Tax Collector to determine the addresses of the owner(s) of a Lot. The notice of meeting must state the time and place of the meeting and all items on the agenda for the meeting.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 6. Voting Rights. On matters of the Association's business submitted to vote the membership, there shall be one (1) vote per Lot, regardless of the number of owners of a Lot. At any annual meeting, substitute annual meeting, or special meeting of members, thirty percent (30%) of the Lots (represented either in person or by proxy) shall constitute a quorum for the purposes of submitting any matter to a vote. Except as otherwise provided by the Declaration, Chapter 47F of the North Carolina General Statutes, or these Bylaws, all matters submitted to a vote at any meeting held in accordance with these Bylaws shall be decided by a simple majority of the total votes cast. In the event that business cannot be conducted at any meeting because a quorum is not present, the provisions of Chapter 47F-3-109 (or other pertinent provision of the Planned Community Act) shall control with respect to imposing a lesser quorum requirement for the rescheduled meeting after adjournment of the original meeting due to lack of a quorum.

Section 7. Voting by Proxy. Votes may be cast either in person or by one (1) or more agents authorized by a dated, written proxy executed by the member or his/her attorney-in-fact. A proxy terminates one (1) year after its date, unless it specifies a shorter term. Any form of proxy which is sufficient in law may be used, but the form as shown on Exhibit A-1 attached hereto shall be deemed sufficient.

Section 8. Voting List. At least ten (10) 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 each, which list shall be kept on file with the book of records of the Association. This list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any members during the whole time of the meeting.

Section 9. Waiver of Notice. Any member may waive notice of any meeting. The attendance by a member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VI.
BOARD OF DIRECTORS

Section 1. Purpose Number and Term of Office. The business and affairs of the Association shall be managed by a Board of Directors of at least three (3) individuals, who shall be entitled to act on behalf of the Association. The Board of Directors shall be appointed by Roy V. Tew, II, (the "Declarant") during the Period of Declarant Control (as defined in the Declaration). At the first meeting of the membership of the Association following the termination of the Period of Declarant Control, the members of the Board of Directors shall be elected by the membership of the Association and those persons who receive the highest number of votes at a meeting at which a quorum is present shall be elected. Each member of the Board of Directors shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and the election of his/her successor. All Directors elected by the membership of the Association must be Lot owners. Notwithstanding anything to the contrary herein, during the Period of Declarant Control, all Directors need not be Lot owners, and the number of directors may be less than three (3) individuals, in the sole discretion of Declarant.

Section 2. Powers and Duties. The Board of Directors shall have the power and the duty to act on behalf of the Association in all instances, except that the Board may not amend the Declaration, terminate the Subdivision, elect members of the Board (except to fill any vacancy in its membership for the unexpired portion of a term) or determine the qualifications, powers, duties or terms of office of members of the Board. In addition the Board of Directors shall have the following specific powers, duties and responsibilities:

A. The Board will keep a complete record of all of its acts and all affairs of the Association and make the same reasonably available for examination by any member, his/her agents or mortgagees.

B. The Board will adopt a proposed budget for the Association to be approved or rejected by the membership of the Association at its annual meeting. The proposed budget shall be adopted at a meeting of the Board to be held prior to the annual meeting of the membership of the Association. A summary of the proposed budget, including the amount of any proposed assessments against the Lots shall be mailed to the membership not more than fourteen (14) nor less than thirty (30) days after the adoption of the proposed budget. The proposed budget shall be deemed ratified by the Lot owners unless at the annual meeting more than fifty percent (50%) of the Lot owners vote to reject it. At the annual meeting, there shall be no requirement that a quorum be present for purposes of approving the budget. In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until such time as the membership ratifies a budget subsequently proposed by the Board of Directors.

C. The Board may fine any Lot in accordance with the provisions of the Declaration for any single violation of the Declaration, these Bylaws or any Rules and Regulations promulgated by the Board. In such event, the Board shall provide the Lot owner fined an opportunity to be heard before an adjudicatory panel to be assessed against any Lot owner for multiple violations. Any such

finances shall be deemed assessments against the Lot of such owner, and shall be collectable as provided in the Declaration.

D. The Board may contract a management agent to perform and execute such duties, functions and responsibilities of the Board as the Board may deem appropriate; however, no such contract shall relieve the Board from its fiduciary duty to the Association.

Notwithstanding any other provision herein, the Board of Directors is authorized, on behalf of the Association, to submit any dispute with or claim against the owner(s) of any Lot(s) to voluntary arbitration program then in effect in the General Court of Justice of Sampson County, North Carolina.

Section 3. Removal of Directors. Notwithstanding any provision in the Declaration or in these Bylaws to the contrary, the Lot owners, by a majority vote of all persons present and entitled to vote at any meeting of the Lot owners at which a quorum is present, may remove any member of the Board of Directors with or without cause, other than a member of the Board of Directors appointed by the Declarant.

Section 4. Vacancies. In the event of the death, disability, resignation or removal of a director, his/her successor shall be selected and appointed by the remaining members of the Board of Directors to serve until the next meeting of the membership of the Association; or until a successor is appointed by the Declarant if such vacancy is the result of the death, disability, resignation or removal of an initial director or a director who was appointed by the Declarant.

ARTICLE VII. MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Called Meetings. Meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors.

Section 2. Notice of Meeting. The person or persons calling a meeting of the Board of Directors shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 3. Waiver of Notice. Any member of the Board of Directors may waive notice of any meeting. The attendance by a member of the Board of Directors at a meeting shall constitute a waiver of notice of such meeting, except where a member of the Board of Directors attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. Fifty percent (50%) of the number of the members of the Board of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the members of the Board of Directors.

Section 5. Manner of Acting. Except as otherwise provided in these Bylaws, the act of the majority of the members of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6. Informal Action by Members of the Board of Directors. Action taken by a majority of the members of the Board of Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the members of the Board of Directors and filed in the book of records of the Association, whether done before or after the action so taken.

Section 7. Committees of the Board. The Board of Directors may establish either standing or ad hoc committees of the members to assist it in its work. Such committees shall be chaired by a member of the Board of Directors.

ARTICLE VIII. OFFICERS

Section 1. Designation. The officers of the Association shall consist of a President, a Vice President, a Secretary and a Treasurer, and such other officers as the membership may from time to time elect. The offices of Secretary and Treasurer may be held by the same person; otherwise, no other two (2) offices may be held by the same person.

Section 2. Election and Term. The initial officers of the Association shall be elected by the initial members of the Board of Directors of the Association. Subsequently, the officers of the Association shall be appointed by the Board of Directors. Members of the Board shall be eligible for appointment to serve as officers of the Association. The officers shall be appointed to one-year terms, and each officer shall hold office until his/her disability, resignation or removal, or until the expiration of his/her term and the appointment of his/her successor.

Section 3. 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, when present, preside at all meetings of the members. He/she shall sign, with the Secretary, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall execute any amendments to the Declaration approved by the membership of the Association.

Section 4. Vice President. In the absence of the President or in the event of his/her death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President, and shall perform such other duties as from time to time may be assigned to him/her by the President or the Board of Directors.

Section 5. Secretary. The Secretary shall: (a) keep minutes of the meetings of members, of the Board of Directors and of all Executive Committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Association (if a stamp seal exists), and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized and mandated; (d) be authorized to certify and oversee the recordation of amendments to the Declaration on behalf of the Association; (e) keep a register of the post office address and/or electronic mail addresses of each member which shall be furnished to the Secretary by such member; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 6. Treasurer. If the Association is self-managed and chooses not to delegate the handling of Association monies to a professional management company, then there shall be elected a Treasurer of the Association. The Treasurer shall be bonded by a reputable insurance or surety company (if the Board of Directors so decides) and shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such depositories as shall be selected in accordance with the provisions of Section 4 of Article IX of these Bylaws; (c) prepare, execute and deliver certificates of Assessments as may be required by the Declaration or by Chapter 47F of the North Carolina General Statutes; and (d) in general perform all of 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.

ARTICLE IX. CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and delivery any instrument in the name of and on the behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by the President or the Treasurer of the Association.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select.

ARTICLE X
ADJUDICATORY PANEL

Section 1. Appointment of Adjudicatory Panel. The Board of Directors shall, not less than annually, appoint an Adjudicatory Panel of not less than three (3) individuals, all of whom shall be residents of the Subdivision. Members of the Board shall be eligible to serve as members of the Adjudicatory Panel. Members of the Adjudicatory Panel shall be appointed to one-year terms, and each member shall sit until his/her death, disability, resignation or removal, or until the expiration of his/her term and the appointment of his/her successor. During the Period of Declarant Control, the Declarant shall serve as the Adjudicatory Panel, unless Declarant desires to appoint one or more individuals to serve in such role (it being understood that the number of individuals may be less than three (3) if Declarant decides to appoint them during the Period of Declarant Control).

Section 2. Hearings. In the event that a fine is assessed against a Lot owner by the Board of Directors pursuant to Subsection 2(C) Article VI above, the Adjudicatory Panel shall provide to the Lot owner so fined notice of the violation and an opportunity to be heard regarding the alleged violation and the assessed fine. If within ten (10) days of receipt of the notice the Lot owner requests in writing a hearing, the Adjudicatory Panel shall hear the matter within twenty (20) days of the date of the written request. A majority of the members of the Adjudicatory Panel shall constitute a quorum for the purpose of conducting a hearing. Following such a hearing, the Adjudicatory Panel shall confirm, deny or modify the fine imposed by the Board and shall notify the Lot owner of its decision. The decision of the Adjudicatory Panel with regard to the fine shall be final.

ARTICLE XI.
INDEMNIFICATION

Any person who at any time serves or has served as an officer, member of the Board of Directors and/or member of the Adjudicatory Panel of the Association will be indemnified by the Association to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him/her in connection with any threatened, pending or completed civil, criminal, administrative, investigative or arbitrative action, suit or proceeding (and any appeal therein), whether or not brought by or on behalf of the Association, seeking to hold him/her liable by reason of the fact that he/she is or was acting in such capacity, and (b) reasonable payments made by him/her in satisfaction of any judgment, money decree, fine, penalty or settlement for which he/she may have become liable in any such action, suit or proceeding.

Upon request for payment, the President of the Association shall promptly call a special meeting of the Board of Directors to obtain approval to pay the indemnification required by this bylaw. Such approval may be general or confined to specific instances, and shall not be unreasonably withheld. Upon approval by the Board of Directors, the President shall promptly cause the indemnification to be paid to the requesting party.

Any person who at any time after the adoption of this bylaw serves or has served as an officer, member of the Board of Directors and/or member of the Adjudicatory Panel of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration

for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this bylaw.

ARTICLE XII.
SECTION 528 STATUS

The Association shall elect and shall be managed in such fashion as to maintain tax-exempt status under Section 528 of the Internal Revenue Code of 1986 (the "IRC") and/or any other pertinent section of the IRC (applicable to non-profit residential homeowners associations). The Association shall not carry on any activities prohibited by an Association electing tax-exempt status under Section 528 and/or other pertinent section of the IRC.

ARTICLE XIII.
AVAILABILITY OF DOCUMENTS

The Association shall keep records of (i) its governing documents; (ii) its actions (board resolutions, minutes of meetings and similar matters); and (iii) its financial condition (receipts and expenditures affecting its finances, operation and administration; budget; financial statements and similar items). Notwithstanding the foregoing, the Association is not required to maintain records in excess of three (3) years, unless otherwise required under applicable law. The Association documents and all books and records kept on behalf of the Association shall be available for examination and copying by a member or such member's authorized agent during normal business hours and upon reasonable notice to the Association and for a reasonable charge, except for privileged or confidential information.

ARTICLE XIV.
GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed SEAL; and such seal, as impressed or drawn on the margin hereof, is hereby adopted as the corporate seal of the Association.

Section 2. Fiscal Year. The fiscal year of the Association shall be January 1 through December 31, unless otherwise determined by the Board of Directors.

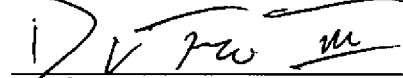
Section 3. Amendments. Following the expiration of the Period of Declarant Control (as defined in the Declaration), the members of the Association may amend these Bylaws by the vote of at least sixty-seven percent (67%) of all existing Lot owners at any meeting of the membership of the Association, in which a quorum is present, properly held and conducted pursuant to Article V above.

Section 4. Conflicts. In the event of any conflict between the terms and provisions of these Bylaws and the terms and provisions of the Declaration, the terms and provisions of the Declaration shall control.

Section 5. References to Statutes. All references herein to any provision of the North Carolina general statutes, or any other applicable laws, shall be construed to include and apply to any subsequent amendments thereto or codified replacements/substitutions thereof.

IN TESTIMONY WHEREOF, the foregoing were adopted as the Bylaws of Taylor's Creek Homeowners Association, Inc. as of the 25 day of June, 2021.

DECLARANT:



Roy V. Tew, III