

FIRST AMENDMENT TO THE BYLAWS
OF
COTTAGES AT EAGLE POINT OWNERS ASSOCIATION, INC.

THIS FIRST AMENDMENT TO THE BYLAWS OF COTTAGES AT EAGLE POINT is effective as of January 1, 2022. The membership voted in favor of amending the Bylaws (30-0) during a Special Meeting called on December 1, 2021.

Article I. BUSINESS ADDRESS shall be rewritten as follows:

Article I. Business Address. As of April, 2021, the Business Address of the association has been changed to be in care of our management company, Little & Young, Inc. Physical address: 2939 Breezewood Avenue, Suite 100, Fayetteville, NC 28303. Mailing address P.O. Box 87209 Fayetteville, NC 28304.

Article V. Section 1. Place of Meetings shall be rewritten as follows:

Section 1. Place of Meetings. All meetings of members shall be held at such place in Moore 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, including via electronic meeting software.

Article V. Section 2. Annual Meetings. shall be rewritten as follows:

Section 2. Annual Meetings. The annual meeting of the members shall be held during the same month each year, April, 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 and Article VI of these Bylaws, 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.

Article VI. Section I. Purpose, Number and Term of Office. shall be rewritten as follows:

Article VI. Section I. Purpose, Number and Term of Office.

- A. The business and affairs of the Association shall be managed by a board of directors.
- B. The board of directors shall consist of three (3) individuals who shall be entitled to act on behalf of the Association. The board of directors may take action to change the number of directors as per the Declaration, however, in no case will the number be less than three (3).

- C. The term of each director shall be two (2) years, with one term expiring in odd numbered years, and two terms expiring in even-numbered years. To facilitate this change, the election at the 2022 annual meeting will see one of the directors elected for only a one (1)-year term. Of the three members elected per Section 2 below, the candidate who receives the least number of votes will serve the one-year term. If there is a tie, the one-year term will be determined by the three elected directors, by lot if necessary.
- D. 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 in Eagle Point and must reside in the home for at least six (6) months in each calendar year during the term of their directorship.
- E. If a management company provides service to the board of directors, one member of the management group shall be an ex-officio member of the board of directors without voting privileges.

Article VI. Section 2. Powers and Duties shall be rewritten as follows:

Article VI. Section 2. Nomination and Election of Directors.

- A. At least 60 days prior to the Annual Meeting, the President will call for nominations for open Board of Director seats at the next Annual Meeting. All qualified nominees will be invited to submit an information sheet to be distributed to the membership of the Association.
- B. At least 30 days prior to the Annual Meeting, the Secretary shall prepare a ballot of all nominees for office, including an information sheet for each nominee, and cause such to be sent by US Mail or E-mail to each member at his or her address shown on the official records of the Association.
- C. Members may vote in person at the annual meeting or by mail delivered to the Secretary prior to the meeting if the ballot is submitted with a written proxy.
- D. 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.

Article VI. Section 3. Removal of Directors. shall be rewritten as follows:

Article VI. Section 3. 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 owner 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 appointed by the board pursuant to Article X below. Multiple fines may be assessed against any Lot owner for multiple violations. Any such fines 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.
- E. The board may arrange for and approve the selection of vendors to perform various services on behalf of the association as the board deems appropriate.
- F. 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 pursuant to any arbitration program then in effect in the General Court of Justice of Moore County, North Carolina.

Article VI. Section 4. Vacancies. shall be rewritten as follows:

Article VI. Section 4. 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.

Article VI. Section 5. shall be added to read as follows:

Article VI. Section 5. Vacancies. Any vacancy occurring in the Board of Directors shall be filled at the meeting of the Board of Directors immediately following the occurrence of the vacancy by the affirmative vote of a majority of the remaining Directors, or by the sole remaining Director. Any Director elected to fill a vacancy shall serve for the remaining term of his/her predecessor. The completion by a Director of an unexpired term shall be deemed the completion of a full two-year term.

Article VII. Section 2. Notice of Meeting. shall be rewritten as follows:

Article VII. Section 2. Notice of Meeting. The person or persons calling a meeting of the board of directors shall, at least five (5) 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.

Article XIV. General Provisions shall be rewritten to remove Section 1. Seal. From Bylaws completely.