

# **BYLAWS OF REDBUD LANDOWNERS ASSOCIATION**



*Amended March 30, 2019*

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# BYLAWS OF REDBUD LANDOWNERS ASSOCIATION

## ARTICLE I - NAME AND LOCATION

The name of the corporation is REDBUD LANDOWNERS ASSOCIATION, also referred to as the "Association."

The principal office of the Association shall be located in Chatham County, North Carolina.

## ARTICLE II - DEFINITIONS

Section 1. Unless otherwise specified, the words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized words shall have the same meaning as set forth in the Amended and Restated Declaration of Covenants, and Conditions and Restrictions for REDBUD LANDOWNERS ASSOCIATION, as it may be amended (collectively, "Covenants").

Section 2. The term "Member(s) Entitled to Vote" shall mean Members who are not more than thirty (30) days delinquent in the payment of their assessments to the Association.

Section 3. The term "Fiscal Year" shall mean the calendar year, beginning on the first day of January and ending on the 31st day of December of every year, unless changed or modified by the Board of Directors.

Section 4. The term "Reserve Study" shall mean a long-term capital budget planning tool which identifies the current status of (1) the reserve fund and (2) a stable and equitable funding plan to offset ongoing deterioration.

## ARTICLE III- GENERAL

The Association has been organized to perform the functions described herein except for those to be performed by others as set forth herein. The Association is charged with the duties and has the powers prescribed by law and set forth in the Covenants, Articles of Incorporation, and Bylaws. Neither the Articles of Incorporation nor the Bylaws shall, for any reason be amended or otherwise changed or interpreted so as to be inconsistent with the Covenants.

The Association is an organization owned by the landowners of Redbud and used by them to manage and regulate the community of Redbud. Each landowner shall have the same proportion of interest in the Association as the number of Lots owned by the landowner bears to the total number of Lots in the community, except as provided in Article IV.

Each Owner, upon becoming an Owner, and by virtue of being such an Owner, and for so long as he or she is such an Owner, shall be deemed a Member of the Association. Upon becoming a Member of the Association, the rights, duties, privileges, immunities and liabilities of being an Owner, as a Member of the Association, as shall be those set forth in and shall be exercised in accordance with the North Carolina Planned Community Act, Chapter 47F, and Chapter 55A of the North Carolina General Statutes, the Master Declaration, the Articles of Incorporation, these Bylaws and the rules and regulations as the foregoing may be amended or adopted by the Association or by the Board, as therein provided.

Membership in the Association shall not be transferred, pledged or alienated in any way except upon

transfer of title of a lot, and then only to the transferee of title, except in the instance of suspension as provided hereunder. Any attempt to make a prohibited transfer shall be null and void.

**Section 1. Provisions of Bylaws Applicable.** The provisions of these Bylaws are applicable to Redbud and to the use and occupancy thereof. The provisions of these Bylaws shall automatically become applicable to any property that may be added to Redbud.

**Section 2. Bylaws Applicable to Present and Future Owners.** All present and future owners, mortgagees, lessees, and residents and their guests and invitees, and any other person(s) who may use properties located within Redbud in any manner, are subject to these Bylaws, the rules and regulations of the Association, and all covenants, agreements, restrictions, easements and declarations of record.

#### **ARTICLE IV - MEMBERSHIP AND VOTING RIGHTS**

**Section 1. Membership.** Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject to assessment by the Association shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Ownership of such Lot shall be the sole qualification for membership in the Association.

**Section 2. Voting Rights.** The voting rights of the Members are set forth in the Covenants and incorporated herein by reference. Members shall be entitled to one vote for each Lot owned. When more than one person holds such interest or interests in any Lot all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote or a split vote be cast with respect to any such Lot.

#### **ARTICLE V - MEMBERSHIP MEETINGS**

**Section 1. Annual Meetings.** An annual meeting of the Members shall be held in May, as determined by the Board. The annual meeting shall be held for the purpose of electing directors in accordance with the requirements of these Bylaws, presenting reports, and transacting any business as specified in the notice of the annual meeting or any such other business of the Association as may properly come before the membership.

**Section 2. Special Meetings.** Special meetings of the Members may be called at any time by the President or by a majority of the Board, or upon written request of Lot Owners having ten percent (10%) of the votes in the Association.

**Section 3. Location of Annual and Special Meetings.** Meetings of the Members shall be held at such suitable place convenient to the Members as may be designated by the Board.

**Section 4. 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, not less than ten (10) nor more than sixty (60) days in advance of any meeting. Notice shall be hand-delivered or sent by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner, or sent by electronic means, including electronic mail, to an electronic mailing address designated in writing by the Lot Owner for this purpose.

The notice of any meeting shall state the date, time, place of the meeting, rain date, and second meeting date if a quorum is not achieved, as well as the items on the agenda, including the general nature of any proposed amendment to the Covenants or Bylaws, any budget changes, any proposal to remove a director or officer, or other business of the Association as may properly come before them. In the case of a special meeting, the notice of meeting shall include a description of the matter or matters for which the meeting is called and only these matters will be discussed.

**Section 5. Quorum.** The presence, in person or by proxy, of thirty-three percent (33%) of the Members Entitled to Vote shall constitute a quorum at any meeting of the Members for any action except as otherwise provided in the Covenants, the Articles of Incorporation, or these Bylaws. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or in proxy. The quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. The quorum requirement shall continue to be reduced by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted. If a meeting is adjourned to a different date, the new date, time and place shall be announced at the meeting before adjournment. A notice of the new meeting, which will include the new date, time and place of the meeting, shall be sent to the landowners by electronic communication.

**Section 6. Proxies.** At all meetings of Members, each Member Entitled to Vote may vote in person or by proxy (who need not be a Member). All proxies shall be in writing, signed by the Lot Owner and filed with the Secretary. An appointment in the form of an electronic record that bears the Member's electronic signature and that shall be directly reproduced in paper form by an automated process shall be deemed a valid appointment form. A proxy is void if it is not dated. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term. Every proxy shall be revocable and shall automatically cease upon conveyance by the Lot Owner. The Association itself shall not have a vote despite the fact that it may own common property or a Lot.

## **ARTICLE VI -BOARD OF DIRECTORS; SERVICE; TERM OF OFFICE**

**Section 1. Number.** The affairs of this Association shall be managed by a Board of at least five (5) and no greater than seven (7) directors, who shall be Members of the Association.

**Section 2. Term of Office.** Directors shall be elected on a staggered basis. In the event that a corporation or other legal entity is a member of the Association, it may designate one or more persons who shall be eligible to serve as Director on its behalf.

At each annual meeting, the Members shall elect directors for the terms expiring that year for a term of three (3) years. In the event the number of directors on the Board is increased or decreased, directors shall be elected in a manner to provide for staggered terms. The existing Board of Directors may determine the manner whereby to achieve such staggered terms. The members of the Board of Directors shall take office upon election and shall hold office until their respective successors shall have been elected by the Association.

**Section 3. Removal and Vacancy.** Any director may be removed from the Board, with or without cause, by a majority vote of the Members Entitled to Vote that are present in person or by proxy at a meeting of the Members at which a quorum is present. Removal action may be taken at any annual or special

meeting with respect to which notice of such purpose has been given. In the event of death, resignation or removal of a director, a temporary successor shall be selected by the remaining directors by a majority vote at a regular Board meeting, or at a special Board meeting called for this purpose. The Board-elected temporary successor shall serve until the next annual meeting, or until a special membership meeting called for this purpose, at which point the Members shall elect a successor director to fill the remainder of the unexpired term.

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

**Section 5. Action Taken Without a Meeting.** The directors shall have the right to take any action on routine and/or previously discussed matters without a meeting if they could have taken such action at a meeting. The action taken shall be by majority approval and shall be evidenced by one or more written consents signed by each director describing the action taken, which are to be included in the minutes or filed with the corporate records. Such consents may be in electronic form and delivered by electronic means. Any action so approved shall have the same effect as though taken at a meeting of the directors. With a non-emergency issue, if any one director objects to taking action without a meeting, no action will be taken and the item for consideration will be deferred to the next scheduled Board meeting.

**Section 6. Participation in Meetings.** Board or committee members may participate in a meeting of the Board or committee by conference telephone, video conference, or similar method of communication, provided all persons participating in the meeting can hear each other simultaneously. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

## **ARTICLE VII - ELIGIBILITY, CANDIDATES, NOMINATIONS AND ELECTION OF DIRECTORS**

**Section 1. Eligibility.** Any Member Entitled to Vote, may serve as a director on the Board of Directors. Members who live in the same household may not serve as directors at the same time.

**Section 2. Candidates and Nominations.** Candidates may announce their candidacy for the Board of Directors in advance of the annual meeting. Alternately, candidates may announce their candidacy at the annual meeting, and nominations for election to the Board of Directors may also be made by any Member from the floor at the annual meeting.

**Section 3. Election.** Election to the Board of Directors shall be by written ballot at the annual meeting. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Covenants. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. In the event the candidates for directors do not exceed the vacancies to be filled, the slate of directors may be elected by acclamation by a show of hands or voice vote.

## **ARTICLE VIII - MEETINGS OF DIRECTORS**

**Section 1. Regular Meetings.** Regular meetings of the Board of Directors shall be held at least quarterly and may be held at such place and hour as may be fixed by resolution of a majority of the Board. Notice of regular scheduled Board meetings shall be published annually along with the names and addresses of officers and board members of the Association within thirty (30) days of their election. Directors need not

be given additional notice of regular Board meetings. Regular Board meetings are open to the Members; Members wishing to attend a regular Board meeting shall inform a director prior to the meeting.

**Section 2. Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President or by any two (2) directors, with at least three (3) days' notice to each director. The notice for a special meeting shall state the time, place, and purpose of the meeting. The three day notice may be waived if there is written approval by all directors, or if an emergency meeting is called by the President. No other business can be transacted except that for which the meeting is called.

**Section 3. Quorum.** A majority of the number 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 IX - POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

The Board of Directors shall have all powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Covenants, the Articles of Incorporation, these Bylaws, and all powers, duties and authority vested in or delegated to the Association by virtue of the Planned Community Act, Chapter 47F of the North Carolina General Statutes; the Nonprofit Corporation Act, Chapter 55A of the North Carolina General Statutes; or by virtue of any other applicable statute.

**Section 1. Powers.** It shall be the power of the Board of Directors to, without limitation:

- (a) provide for the operation, care, upkeep and maintenance of community properties and easements;
- (b) adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from Lot Owners, subject to the limitations in the Covenants;
- (c) establish reasonable rules and regulations concerning the use of the Common Area(s), facilities located thereon, and the personal conduct of the Members and their guests thereon, as well as adopt rules and regulations relating to the use, upkeep or preservation of Redbud. Copies of such rules and regulations and amendments thereto shall be furnished by the Board of Directors to all Members for membership input prior to the rule's effective date. Such rules and regulations shall be binding upon the Members, their families, tenants, guests, invitees, and agents until and unless such regulation, rule, or requirement shall be specifically overruled, cancelled, or modified;
- (d) impose reasonable monetary fines not to exceed one hundred dollars (\$100) per day, or the maximum amount allowed by law, for a violation of the Covenants, these Bylaws or the rules and regulations of the Association. No such monetary fine shall be imposed except following a hearing before the Board of Directors, or before an adjudicatory panel appointed by the Board, which shall accord to the party charged with the violation notice of the charge, opportunity to be heard, to present evidence, opportunity to correct the issue prior to any fine, and written notification of the decision;

- (e) impose reasonable charges for late payment of assessments not to exceed the greater of twenty dollars (\$20.00) per month or ten percent of any assessment installment that remains unpaid for a period of 30 days or longer;
- (f) make, or contract for the making of repairs, additions, improvement to or alteration of the Association's property or property the Association is legally required to maintain;
- (g) enforce the provisions of the Covenants, these Bylaws, and the rules and regulations adopted by the Board and bring any proceedings which may be instituted on behalf of or against the Lot Owners concerning the Association or the Covenants;
- (h) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association;
- (i) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to membership by other provisions of these Bylaws, the Covenants or the Articles of Incorporation;
- (j) provide for the indemnification of and maintain liability insurance for its officers, executive board, directors, employees, and agents;
- (k) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;
- (l) 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;
- (m) fill a vacancy in any office of the Board by appointment; and
- (n) appoint a temporary director to fill a Board vacancy until the next annual meeting, or until a special membership meeting called for this purpose, at which the Members shall elect a successor director to fill the remainder of the unexpired term.

**Section 2. Duties.** It shall be the duty of the Board of Directors to, without limitation:

- (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;
- (b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) levy and collect assessments as is more fully provided by statute, in the Declaration, and in these Bylaws. An invoice for annual assessments for the following fiscal year will be sent to all Lot Owners at least 30 days prior to the beginning of the fiscal year;
- (d) prepare at least annually a budget for Redbud and allocate and assess each common charge among the owners according to their respective obligations as set out in the Covenants and Bylaws. Common expenses among other things shall include the cost of insurance premiums, the



cost of operation, maintenance and care of common properties and community roads and rights of way, general operating expenses, and such reserves and special funds as may be set out in the Covenants or these Bylaws. The Board shall advise all owners promptly and in writing of the amount of the common charges payable by each of them, respectively, as determined by the Board as aforesaid and shall furnish copies of each budget on which said charges are based to all owners and to their mortgagees (if necessary). Within 30 days after adoption of any proposed budget, the Board shall provide to all Lot Owners a summary of the budget and notice of the meeting to consider ratification of the budget including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Lot Owners to consider ratification of the budget, such meeting to be held not less than 10 nor more than 60 days after mailing of the summary and notice, and the budget shall be ratified unless a majority of all Lot Owners in the Association rejects the budget;

- (e) notify the Members, at least 30 days prior to transaction, of any non-budgeted, non-emergency expenditure the Board is considering that exceeds 25% of the annual operating budget;
- (f) make an annual income and expense statement and balance sheet available to all Lot Owners within 75 days after the close of the fiscal year to which the information relates;
- (g) seek to recover, in the event of default by any Lot Owner in the payment of assessments, such debts, interest, and expenses of collection by an action to recover the same brought against such Owner or by foreclosure of a lien, which such unpaid charges may have on the Lot(s);
- (h) foreclose a lien on a Lot because of unpaid assessment. In this action, a Lot Owner shall be required to pay a reasonable rental fee to the Association for the use of the Lot, if such use continues after the foreclosure, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board acting on behalf of the Association, may choose to purchase such Lot at the foreclosure sale and to acquire, hold, lease, convey, mortgage (but not to vote the share(s) appurtenant thereto), or otherwise deal with the same. A suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosure or waiving the lien securing the same;
- (i) 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;
- (j) cause the Common Areas to be maintained, including the maintenance, repair and reconstruction of Association owned roads, and roads the Association is legally responsible for, to an all-weather standard, and such other areas as the Association may by contract undertake to maintain;
- (k) pay all ad valorem taxes and public assessments relating to the Common Area;
- (l) determine the common expenses required for the affairs of the Association, subject to the limitations in the Covenants, and the allocation of income and expenses;
- (m) open bank accounts on behalf of the Association and designate the signatories required therefore;

- (n) own, convey, encumber, lease and otherwise deal with properties conveyed to the Association or purchased by it as a result of enforcement of a lien for common expenses or otherwise;
- (o) obtain insurance for the Association's property and easements;
- (p) adopt Rules and Regulations relating to the use, upkeep or preservation of Redbud;
- (q) appoint an elected member of the Board to act in place of the President on an interim basis, if neither the President nor the Vice-President is able to act;
- (r) appoint committees from among the Owners from time to time as the Board decides are appropriate to assist in the conduct of the affairs of the Association;
- (s) publish the names and addresses of all Board members to be sent to the Lot Owners within 30 days of the first Board of Directors meeting. This notice may be hand-delivered, sent by United States mail, sent by electronic means, including electronic mail, or sent to any other mailing address designated in writing by the Lot Owner for this purpose; and
- (t) perform a Reserve Study on a schedule to be determined by the Board.

## **ARTICLE X – OFFICERS**

**Section 1. Enumeration of Officers.** The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer.

**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.

- (a) The first meeting must be held within 30 days of the Annual Meeting.
- (b) The President and Vice President shall be chosen from among the group of elected directors of the Association.

**Section 3. Term.** The officers of the Association shall be elected annually by the Board and each shall hold office for a one (1) year term unless they resign sooner, or are removed, or otherwise become disqualified to serve.

**Section 4. Special Appointments.**

- (a) The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.
- (b) The Secretary and Treasurer shall be Members of the Association. If no elected members of the Board of Directors are willing to serve as Treasurer or Secretary, the Board may appoint persons to these positions from within the general membership of the Association. Board appointed officers are not directors, and shall not have Board voting privileges.

- (c) Additional offices. The Board may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The Board may hire non-Members to perform these functions.

**Section 5. Resignation and Removal.** Any officer may be removed from office with or without cause by a majority of 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 they replace.

**Section 7. Multiple Offices.** At the discretion of the Board, directors may hold more than one office. In the event that one of the offices being held is Treasurer, the Board will address appropriate controls, signatures, and notifications on the bank accounts to ensure that more than one director has access to all banking information and funds.

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

- (a) **President.** The President shall preside at all meetings of the Board of Directors and the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; shall prepare, execute, certify and record amendments to the Covenants in accordance with the amendment provisions set forth therein; and shall have access to all banking accounts and shall co-sign all checks exceeding \$8,000 or 20% of the annual budget, whichever is less, and all promissory notes.
- (b) **Vice President.** The Vice President shall act in the place and stead of the President in the event of the President's absence or inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
- (c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; develop meeting agendas, in collaboration with the President, and with input from the directors; keep the corporate seal, if any, of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- (d) **Treasurer.** 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 compilation, audit or review of the Association books to be made at the completion of each fiscal year; prepare an annual income and expense statement and balance sheet; and prepare a financial report to be provided to the membership at the annual meeting.

**Section 9. Management Company.** The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to

perform the manager's assigned duties, but shall not delegate policy-making authority or ultimate responsibility for those duties set out in Article IX Section 2.

#### **ARTICLE XI - INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The directors shall not be liable to the Members of the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Members shall indemnify and hold harmless each director against all contractual liability to others arising out of contract made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Covenants or contrary to these Bylaws. It is intended the directors shall have no personal liability with respect to any contract made by them on behalf of the Association.

#### **ARTICLE XII - COMMITTEES**

The Board of Directors may appoint such committees as are authorized in the Covenants or as it deems appropriate to perform such tasks and to serve for such periods designated by the Board. Committees shall be designated as either standing or special committees and shall operate in accordance with the terms set by the Board and shall include a Board approved mission statement and/or charter. At least one director shall be a committee member and shall serve as a Board liaison. Any Member can attend a committee meeting with sufficient notice to the committee chair. Committee officers are to be elected by the committee's membership. Committee reports shall be submitted periodically by the liaison to the Board for review.

#### **ARTICLE XIII – BOOKS AND RECORDS**

The books and records of the Association shall be subject to inspection by any Member in accordance with N.C. Gen. Stat. § 47F-3-118(a) and Chapter 55A of the North Carolina General Statutes. The Covenants, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

**Section 1. Records.** The Board shall cause to be kept records of the actions of the Board and of its agents, if any, minutes of the meetings of the Board, minutes of the meetings of the Association, and financial records and books of account of the Association.

**Section 2. Annual Report.** An annual report of the receipts and expenditures of Redbud shall be made at the end of each fiscal year by the Board or its appointed accountant. The Board shall send the report to each owner promptly and shall keep a copy on file with Association records.

#### **ARTICLE XIV - AMENDMENTS AND CONFLICTS**

**Section 1. Amendments.** These Bylaws may be amended at a regular or special meeting of the Members at which a quorum is present by two-thirds of the votes cast or a majority of the votes entitled to be cast on the amendment, whichever is less.

**Section 2. Conflicts.** In the case of any conflicts, the provisions of North Carolina law, the Declaration of Covenants, Articles of incorporation, and these Bylaws, in that order, shall prevail.

## ARTICLE XV – MISCELLANEOUS

Section 1. **Invalidity.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 2. **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provisions thereof.

Section 3. **Waiver.** No restriction, condition, obligation or provisions contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which occur.

Section 4. **Dissolution.** In the event that the Association is dissolved, its debts shall be paid and any remaining cash assets shall be disbursed pro rata to the Association’s Lot Owners. Ownership of Association-owned common property shall be transferred to the local government. If the government does not accept ownership and maintenance then the common property ownership shall be transferred to all Lot Owners.

IN WITNESS WHEREOF, we, being all of the directors of the Redbud landowners Association, certify that the foregoing Bylaws were adopted by the requisite number of the Members and by a majority of the Board of Directors, and have hereunto set our hands this 30th day of March, 2019.

*Julie Wesselman*  
Secretary