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BYLAWS OF SILVERHILL AT SPRINGFIELD OWNERS ASSOCIATION, INC.

(A Non-Profit Corporation)

ARTICLE I.

GENERAL

Section 1. The Name. The name of the Corporation is SILVERHILL AT SPRINGFIELD OWNERS ASSOCIATION, INC.

Section 2. The Principal Office. The principal office of the Corporation shall be 903 Hay Street, Fayetteville, Cumberland County, North Carolina, 28305-5313, or at such other place as may be subsequently designated by the Board of Directors and communicated to the Members.

Section 3. Definitions.

a. Corporation. "Corporation" means SILVERHILL AT SPRINGFIELD OWNERS ASSOCIATION, INC. and may be used interchangeably with and shall be the equivalent to "Association" as defined in the Declaration of Covenants, Conditions and Restrictions of SILVERHILL AT SPRINGFIELD Subdivision, (herein called the "Declaration") and shall be applicable herein, unless otherwise defined herein.

b. Declarant. Declarant shall mean and refer to Broadwell Land Company, a North Carolina corporation, 903 Hay Street, Fayetteville, NC 28305-5313, its successors and assigns, that is the Declarant in the Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to all of the property herein described which is recorded or will be recorded in the Office of the Register of Deeds for Cumberland County, North Carolina, and as the same may be amended from time to time as therein provided.

c. Lot and Lots. Lot shall mean and refer to each of Lots 1 through 23 of the SILVERHILL AT SPRINGFIELD Subdivision, a "ZERO LOT LINE" Development, Book of Plats 124, Page 164, Cumberland County, North Carolina, Registry, and such additional building lots as are brought by Declarant under the jurisdiction of the SILVERHILL AT SPRINGFIELD OWNERS ASSOCIATION, INC. Lots shall mean and refer collectively to Lots 1 through 23, inclusive, of the SILVERHILL AT SPRINGFIELD Subdivision, a "ZERO LOT LINE" Development, Book of Plats 124, Page 164, Cumberland County, North Carolina, Registry, and such additional building lots as are brought by Declarant under the jurisdiction of the SILVERHILL AT SPRINGFIELD OWNERS ASSOCIATION, INC.

mail: Broadwell
c/w Box 53587
Fay - NC 28305

d. Assessable Lots. The Assessable Lots shall be determined as of January 1 of each fiscal year of the Corporation and shall consist of Lots 1 through 23, inclusive, of the SILVERHILL AT SPRINGFIELD Subdivision, a "ZERO LOT LINE" Development, Book of Plats 124, Page 164, Cumberland County, North Carolina, Registry, and such additional building lots as are brought by Declarant under the jurisdiction of the SILVERHILL AT SPRINGFIELD OWNERS ASSOCIATION, INC.

e. Owners. Owners shall mean every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Corporation, including contract sellers. The term "Owners" is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

f. Membership in Association. Every Owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Corporation, including contract sellers, shall be a member of the Corporation. Membership shall be pursuant to and may not be separated from ownership of any Lot which is subject by the Declaration to assessment by the Association.

g. Common Properties. Common Properties includes (a) the OPEN SPACE (DETENTION POND) as shown on the subdivision project known as SILVERHILL AT SPRINGFIELD, a "ZERO LOT LINE" DEVELOPMENT, as shown and described on the plat thereof recorded in Book of Plats 124, Page 164, in the office of the Register of Deeds of Cumberland County, North Carolina; and (b) any real property that may be acquired by the Association for the common use and enjoyment of the Owners of Lots. Common Properties does not include the right-of-ways of streets.

h. Fiscal Year. Fiscal year shall mean the fiscal year of this Corporation and shall be from January 1 through December 31.

i. Eligible Mortgage Holder. Eligible Mortgage Holder shall mean a holder or a first mortgage or deed of trust lien on a Lot that has requested notice of certain matters from the Association.

j. Stormwater Drainage Permit. Stormwater Drainage Permit shall mean NPDES General Stormwater Permit No. NCG010000, Project ID: Cumbe-2007-089, Silverhill at Springfield, Cumberland County, issued to Broadwell Land Company by the Department of Environmental and Natural Resources Division of Water Quality ("DWQ") for stormwater management relating to the development of the SILVERHILL AT SPRINGFIELD Subdivision, a "ZERO LOT LINE" Development, Book of Plats 124, Page 164, Cumberland County, North Carolina, Registry.

k. Common Expenses. Common Expenses. "Common Expenses" shall mean and include:
(1) All sums lawfully assessed by the Association against its members;
(2) Expenses of administration, maintenance, repair, or replacement of the Common Properties;
(3) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws;
(4) Hazard, liability, or such other insurance premiums as the Declaration or the Bylaws may require the Association to purchase or as the Association may deem appropriate to purchase;
(5) Ad valorem taxes and public assessment charges lawfully levied against Common Properties;
(6) The expense of the maintenance, management and preservation pursuant to the Cumberland County Water Supply Watershed Management and Protection Ordinance and other applicable laws of the OPEN SPACE (DETENTION POND) as shown on the recorded plat, and maintenance of private drainage and utility easements and facilities located therein which are within the boundaries of the Property, and of performing all duties and filing all required reports subsequent to the completed initial construction and inspection(s) relative to the installed erosion and sedimentation plan for the SILVERHILL AT SPRINGFIELD Subdivision, as approved by the Letter of Approval dated February 19, 2007, issued to Broadwell Land Company by the North Carolina Department of Environment and Natural Resources, Division of Land Resources, Land Quality Section, and General Permit No.

- NCG01000 To Discharge Stormwater Under The National Pollutant Discharge Elimination System issued by the State of North Carolina Department of Environment and Natural Resources, Division of Water Quality;
- (7) The establishment of reserves for anticipated future extensive maintenance or replacing or reconstructing of the said the OPEN SPACE (DETENTION POND) as shown on the subdivision project known as SILVERHILL AT SPRINGFIELD, a "ZERO LOT LINE" DEVELOPMENT, as shown and described on the plat thereof recorded in Book of Plats 124, Page 164, in the office of the Register of Deeds of Cumberland County, North Carolina, and of otherwise performing all duties and filing all required reports subsequent to the completed initial construction and inspection(s) relative to the installed erosion and sedimentation plan for the SILVERHILL AT SPRINGFIELD subdivision as approved by the Letter of Approval dated February 19, 2007, issued to Broadwell Land Company by the North Carolina Department of Environment and Natural Resources, Division of Land Resources, Land Quality Section, and General Permit No. NCG01000 To Discharge Stormwater Under The National Pollutant Discharge Elimination System issued by the State of North Carolina Department of Environment and Natural Resources, Division of Water Quality;
- (8) The expense of maintenance of any roads, streets, easements, landscaping, amenities, taxes or any other expense item associated with any Common Properties not located on the Property but permitted to be used by the members of this Association by any adjoining landowners, association or other entity pursuant to any cross-easement, cross-access or other agreement by the Association with the adjoining land owners;
- (9) Expenses for maintenance of security devices or personnel; and,
- (10) Any other expenses determined by the Board or approved by the members to be common expenses of the Association.

ARTICLE II.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Definition of Membership. Every Owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Corporation, including contract sellers, shall be a Member of the Corporation. Owner does not include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be pursuant to and may not be separated from ownership of any Lot which is subject by the Declaration to assessment by the Association.

Section 2. Transfer of Membership: Membership in the Corporation may be transferred only as an incident to the transfer of the transferor's lot in the SILVERHILL AT SPRINGFIELD Subdivision. Upon such transfer of a lot in said subdivision, it shall be the duty of the purchaser of the lot to notify the Corporation of the transfer and of the name, address and telephone number of the new Member Owners of the lot.

Section 3. Voting Rights. The Corporation shall have two (2) classes of voting membership:

CLASS A: Class A members shall be all owners with the exception of the Declarant and shall be entitled to one vote for each Assessable Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for each Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot; and in the absence of an agreement between the persons holding the interests in any Lot the vote for the lot shall be in the same fractions as the ownership.

CLASS B: Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Assessable Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: (a) When the Declarant is no longer the owner of any Assessable Lot; or (b) On January 1, 2019.

ARTICLE III.

MEETINGS OF MEMBERSHIP

Section 1. Place. All meetings of the corporate membership shall be held in Cumberland County, North Carolina at such place as is stated in the notice of the meeting.

Section 2. Annual Meetings:

a. The first Annual Meeting of the Members shall be held in the first year that the Board determines that an annual assessment should be made on the Lots.

b. The first annual meeting and subsequent regular annual meetings shall be held on the first Saturday in April in each year, if not a legal holiday, and if a legal holiday, then on the next following Saturday, unless otherwise determined and specified by the Board.

c. All annual meetings shall be held at such hour as is determined by the Board, and if no hour is specified by the Board, then at 10:00 a.m.

d. At the annual meetings, the members shall elect the new members of the Board of Directors and transact such other business as may properly come before the meeting.

e. Written notice of the Annual Meetings shall be served upon or mailed to each member of the Association entitled to vote thereat at such address as appears on the books of the Corporation, at least ten (10) days but not more than fifty (50) days prior to the meeting. Each member shall notify the Secretary of any address change, and the giving of said notice shall be in all respects sufficient if sent to the address of the member which is then on file with the Secretary. Upon transfer of a lot in the subdivision, it shall be the duty of the purchaser of the lot to notify the Corporation of the transfer and of the name, address and telephone number of the new member owners of the lot, and to furnish to the Corporation such reasonable evidence of the transfer of ownership as may be requested by the Secretary.

Section 3. Membership List. At least ten (10) but not more fifty (50) days before each annual meeting or other election of directors, a complete list of members entitled to vote at said election, with residence of each, shall be prepared by the Secretary. Such list shall be produced and kept for said ten (10) days prior to and throughout the election at the office of the Corporation (the Secretary's home or office if there is no other office for the Corporation) and shall be open to examination by any member throughout such time. The record date for determination of Members entitled to vote shall be fifty (50) days prior to the scheduled meeting.

Section 4. Special Meetings:

a. Special Meetings of the members for any purpose or purposes not prescribed by statute, the Articles of Incorporation, or these By-Laws, to be called in a different manner, may be called by the Board at the request in writing of twenty-five per cent. (25%) of the Class A membership or upon request of the Class B member. Such request shall state the purpose or purposes of the proposed meeting.

b. Written notice of a Special Meeting shall be served upon or mailed to each Member of the Association entitled to vote thereat at such address as appears on the books of the Corporation, at least ten (10) days but not more than fifty (50) days prior to the Special Meeting of Members, stating the time and object thereof. The record date for determination of Members entitled to vote shall be fifty (50) days prior to the scheduled meeting.

c. Business transacted at all Special Meetings shall be confined to the objects stated in the notice thereof.

Section 5. Quorum: Over twenty (20) percent of the total members of the Corporation, present in person or represented by proxy, shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise by statute, by the Articles of Incorporation or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the members, the members entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called. If adjournment extends past thirty (30) days, notice of the date on which the adjourned meeting is to be reconvened shall be given as herein provided for regular meetings.

Section 6. Vote Required to Transact Business: When a quorum is present at any meeting, a majority of the votes cast, in person or represented by written proxy, shall decide any question brought before the meeting, unless the question is one upon which, by express provision of the statutes, the Declaration or these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. There shall be no cumulative voting.

Section 7. Right to vote: Each Member of a Class A membership in good standing shall be entitled to one (1) vote. The vote of the Class B membership shall be as prescribed in the Declaration. At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. If more than one (1) person or entity owns a Lot, they shall file a certificate with the Secretary naming the person authorized to cast votes for said Lot. If same is not on file the vote of any co-owner present who is acceptable to other co-owners of that Lot present shall be accepted as the vote of all co-owners. Any legal entity which is an owner shall have the right to membership in the Corporation.

Section 8. Waiver and Consent: Pursuant to G.S. 28A-7-04, any action required or permitted by the statutes to be taken at a meeting of members may be taken without a meeting by the action being taken by all members entitled to vote on the action. Any action required or permitted by any provision of the statutes, the Declaration, or these By-Laws, may be taken by the written consent and waiver of all members who would have been entitled to vote upon the action at a meeting, signed before or after such action, and delivered to the Corporation for inclusion in the minutes or for filing with the corporate records. Any notice may be waived by a Member or Members in accordance with G.S. 28A-7-06.

Section 9. Order of Business: The order of business, at Annual Meetings of members, and as far as practicable at Special Meetings, will be:

- a. Roll call and certification of proxies;
- b. Proof of notice of meeting or waiver of notice;
- c. Reading of minutes of prior meetings;
- d. Officer' s reports, if any;
- e. Committee reports, if any;
- f. Approval of budget;

- g. Election of directors;
- h. Unfinished business;
- i. New business;
- j. Adjournment.

Except as herein provided, Robert's Rules of Order shall be applicable to the conduct of all meetings.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and Term. The number of directors which shall constitute the whole Board of Directors (the "Board") shall initially be three (3) and this number may be changed by the Members at an Annual Meeting to not less than two (2) nor more than five (5). Until succeeded by directors elected at the first Annual Meeting of members, directors need not be members; thereafter at least one-half of the directors shall be Members. For the purpose of determining that one-half of the directors are "Members", corporate officers of a corporation that is a Member by ownership or a Lot, or member-managers of a Limited Liability Company that is a Member by ownership of a Lot, shall be considered as "Members".

Within the limits herein specified, the number of directors shall be determined by the Members at the first Annual Meeting, and the directors shall have staggered terms, with one-half of the directors elected at the first Annual Meeting being elected for a one year term and the other one-half of the directors being elected for a two year term (if an odd number of total directors is specified then the extra director shall be elected a one year term). All directors shall serve until their successors are elected and qualify. At Annual Meetings following the first Annual Meeting, each director that is elected to fill a vacancy shall be elected for a two year term.

Section 2. Vacancy and Replacement: If the office of any director becomes vacant by death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining directors, though less than a quorum, at a special meeting of directors duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

Section 3. Removal: Directors may be removed (a) with or without cause by an affirmative vote of a majority of the total membership; or (b) with or without cause by the action of Broadwell Land Company while it is a Class B member.

Section 4. First Board of Directors: The first Board of Directors shall consist of Dohn B. Broadwell, Sr., Dohn B. Broadwell, Jr., and Leon E. Brown who shall hold office and exercise all powers of the Board until the first Annual Meeting of Members, anything herein to the contrary notwithstanding; provided, any or all of said directors shall be subject to replacement in the event of resignation or death as above provided.

Section 5. Powers and Duties: The property and business of the Corporation shall be managed by the Board, which may exercise all corporate powers not specifically prohibited by statutes, the Certificate of Incorporation or the Declaration. The powers of the Board shall specifically include, but not be limited to the following:

- a. To make and collect regular and special assessments and establish the time within which payment of same are due.

b. To use and expend the assessments collected to maintain, care for and preserve the fences, entrance signs, common properties and other properties of the Corporation and to perform all matters required to be performed by the corporation.

c. To enter into and upon the Lots when necessary and at as little inconvenience to the owners as possible in performing such duties.

d. To obtain such casualty or liability insurance as the Directors deem appropriate or necessary, which may include insurance against Directors' liability.

e. To collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from owners for violations of these By-Laws and the terms and conditions of the Declaration.

f. To employ and compensate such personnel as may be required for carrying out the duties of the Corporation.

g. To propose and adopt an annual budget for the Corporation.

h. To make application to the Department of Environmental and Natural Resources Division of Water Quality ("DWQ") or its designee for transfer to the Association of NPDES General Stormwater Permit No. NCG010000, Project ID: Cumbe-2007-089, Silverhill at Springfield, Cumberland County, issued to Broadwell Land Company for stormwater management as the developer of the SILVERHILL AT SPRINGFIELD Subdivision, a "ZERO LOT LINE" Development, Book of Plats 124, Page 164, Cumberland County, North Carolina, Registry, and to make application(s) for renewal of such permit as required from time to time by applicable law.

Section 6. Liability: The directors shall not be liable to the owners except for their individual willful misconduct, bad faith or gross negligence.

Section 7. Compensation: Neither directors nor officers shall receive compensation for their services as such, provided that the Corporation may budget such sums as it may deem appropriate for direct reimbursement of actual expenses incurred by the directors or officers on behalf of the Corporation.

Section 8. Meetings:

a. The annual meeting of the Board shall be held at the same place as the general members' meeting, and immediately before or after the adjournment of same.

b. Special meetings shall be held whenever called by the direction of the President or by a majority of the Board. The Secretary shall give notice of each special meeting either personally, by mail or telegram at least three (3) days before the date of such meeting, but the directors may, in writing, waive notice of the calling of the meeting, before or after such meeting.

c. A majority of the Board shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business, and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at the meeting, the directors then present may adjourn the meeting without notice other than announcement at the meeting until a quorum shall be present.

d. Pursuant to G.S. 28A-8-21, any action required or permitted by the statutes to be taken at a meeting of directors may be taken without a meeting by the action being taken by all members of the board. Any action required or permitted by any provision of the statutes, the Declaration, or these By-Laws, may be taken by the

written consent and waiver all directors, signed before or after such action, and delivered to the Corporation for inclusion in the minutes or for filing with the corporate records. Any notice may be waived by a director or directors in accordance with G.S. 28A-8-23.

Section 9. Order of Business: The order of business at all meetings of the Board shall be as follows:

- a. Roll call;
- b. Proof of notice of meeting or waiver of notice;
- c. Reading of Minutes of last meeting;
- d. Election of necessary directors and officers;
- e. Reports of officers and employees;
- f. Reports of committees;
- g. Unfinished business;
- h. Original resolutions and new business;
- i. Adjournment.

Except as herein provided, Robert's Rules of Order shall be applicable to the conduct of all meetings.

Section 10. Annual Statement: The Board shall present, no less often than at the Annual Meeting, a full and clear statement of the business and condition of the Corporation, including a report of the operating expenses of the Corporation and the assessments paid by each member.

ARTICLE V

OFFICERS

Section 1. Executive Officers: The executive officers of the Corporation shall be a President, Secretary, and Vice-President and Treasurer; all of whom shall be elected annually by the Board. Any directors, if so elected, may also serve as elected officers of the Corporation.

Section 2. Subordinate Officers: The Board may appoint such other officers and agents they the Board may deem necessary, who shall have such authority and perform such duties as from time to time may be prescribed by said Board.

Section 3. Tenure of Officers: Removal: All officers shall be subject to removal, with or without cause, at any time by action of the Board. The Board may delegate powers of removal or powers to appoint subordinate officers and agents to any Executive Officer.

Section 4. The President:

- a. The President shall preside at all meetings of the members and directors; he shall have general and active management of the business of the Corporation; he shall see that all orders and resolutions of the Board are carried

into effect; he shall execute bonds, mortgages, deeds of trust and other contracts requiring a seal, under the seal of the Corporation.

b. He shall have general superintendence and direction of all the other officers of the Corporation, and shall see that their duties are performed properly.

c. He shall submit a report of the operations of the Corporation for the fiscal year to the directors whenever called for by them, and to members at the Annual Meeting, and from time to time shall report to the Board all matters within his knowledge which the interest of the Corporation may require to be brought to their notice.

d. He shall be an ex-officio member of all committees, and shall have the general powers and duties of supervision and management usually vested in the office of the President of a corporation.

Section 5. The Secretary:

a. The Secretary shall keep the minutes of the member and Board meetings in one or more books provided for that purpose.

b. He shall see that all notices are fully given in accordance with the provisions of these By-Laws or as required by law.

c. He shall be custodian of the corporate records and of the seal of the Corporation and shall see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized under the provisions of these By-Laws.

d. He shall keep a register of the post office address of each member, as same shall be furnished to the Secretary by each member.

e. In general, he shall perform all duties incidental to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors..

Section 6. The Vice-President: The Vice President shall be vested with all the powers and required to perform all the duties of the President in his absence, and such other duties as may be prescribed by the Board.

Section 7. The Treasurer:

a. The treasurer shall keep full and accurate accounts or receipts and disbursements in books belonging to the Corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation, in such depositories as may be designated by the Board.

b. He shall disburse the funds of the Corporation as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation. Such records shall be open to inspection by members at reasonable times.

c. He may be required to give the Corporation, at the Corporation's cost, a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and restoration to the Corporation, in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Corporation.

d. He shall maintain a register for the names of any mortgage holders or lien holders on units who have requested in writing that they be registered and to whom the Corporation will give notice of default in case of non-payment of assessments. No responsibility of the Corporation is assumed with respect to said register except that it will give notice of default of any owner in his obligations to the Corporation to any registered mortgagee or lienor therein, if so requested by said mortgagee or lienor.

e. With the approval of the Board, he shall be authorized to delegate all or part of his responsibilities to competent accounting, collection or management personnel, pursuant to written definition of the responsibilities delegated to, and the condition or performance imposed upon, such personnel; but, in such event, the Treasurer shall retain supervisory responsibilities.

Section 8. Vacancies. If the office of any director or officer becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining directors, by a majority of the remaining directors provided for in these By-Laws, may a successor or successors who shall hold office for the unexpired term. If the number of directors falls below two (2), a Special Meeting of members shall be called for the purpose of filling such vacancies in the Board of Directors.

Section 9. Resignations: Any director or officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the Board of Directors, unless some later time be fixed in the resignation, and then from that date. The acceptance of a resignation by the Board shall not be required to make it effective.

ARTICLE VI

NOTICES

Section 1. Definition: Whenever under the provisions of the statutes, the Declaration, the Articles of Incorporation, or these By-Laws, notice is required to be given to any director or member, it shall not be construed to mean personal notice, but such notice may be given in writing by mail, by depositing the same in a post office or letter box in a postpaid, sealed envelope, addressed to the address as appears on the books of the Corporation.

Section 2. Service of Notice - Waiver: Whenever any notice is required to be given under the provisions of the statutes, the Declaration, the Certificate of Incorporation, or these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 3. Address: The address for notice to the Corporation shall be that of the Registered Agent for service of process on the Corporation.

ARTICLE VII

FINANCES

Section 1. Fiscal Year: The fiscal year shall be January 1 through December 31.

Section 2. Non-Profit Corporation. The seal of the Corporation shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Non-Profit." Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

Section 3. Checks: All checks or demands for money and notes of the Corporation in an amount of Two Hundred and no/100 (\$200.00) Dollars or less, shall be signed by any one of the following officers: President, Secretary, Vice President or Treasurer, or by such officer or officers of such other person or persons as the Board of Directors may from time to time designate. Amounts in excess of Two Hundred and no/100 (\$200.00) Dollars shall require the signature of two (2) such persons.

ARTICLE VIII

LEVY OF ASSESSMENTS

Section 1. Determination of Assessments: The owner of each Assessable Lot by acceptance of a deed therefor, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay assessments to the Association as follows:

- a. Annual Assessments; and
- b. Special Assessments.

All assessments levied by the Association shall be used exclusively (a) for payment of Common Expenses; and (b) to promote the health, safety and welfare of the residents of the Lots.

The Annual Assessments and the Special Assessments on each Assessable Lot, together with interest on delinquent assessments at the rate of six per cent. per annum, costs and reasonable attorney's fees, shall be a charge on and a continuing lien upon the Assessable Lot, and shall also be the personal obligation of the Owner of the Assessable Lot at the time the assessment fell due.

Section 2. Annual Assessments. The Annual Assessments shall be in the amount determined by the Association to be necessary and adequate for the payment of the Common Expenses of the Association.

At each Annual Meeting of the Corporation, the budget as prepared by Board shall be submitted to the members for approval. As approved, the budget shall constitute the basis for all regular assessments for expenses against Lot owners, which assessments shall be due and payable periodically as determined by the Board.

The Board shall provide and establish such reserves for anticipated future extensive maintenance or replacing or reconstructing the said OPEN SPACE (DETENTION POND) as the Board in its discretion determines to be reasonable and prudent under all of the circumstances then existing.

The maximum Annual Assessment levied for the first fiscal year for which an Annual Assessment is levied shall not exceed \$100.00 per Assessable Lot and no Annual Assessment for any fiscal thereafter shall exceed \$100.00 per Assessable Lot without approval of a majority of the Membership by a vote at a regular or special meeting of the Members of the Association.

Section 3. Special Assessment. A Special Assessment may be levied by the Association for the purpose of extensive maintenance or replacing or reconstructing the detention pond, to the extent that such extensive maintenance or replacing or reconstructing the detention pond is not covered by reserves for such purpose or purposes. Any Special Assessment levied in any fiscal year of the Association that exceeds \$300.00 per Assessable Lot will require approval of a majority of the Membership by a vote at a regular or special meeting of the Members.

Section 4. Notice and Quorum. Notice for approval of the Membership under Section 2 and Section 3 immediately above shall be by written notice of the meeting served upon or mailed to each Member of the

Association entitled to vote thereat at such address as appears on the books of the Corporation, at least ten (10) days but not more than fifty (50) days prior to the meeting.

Over twenty (20) percent of the total Members of the Assessable Lots of the Corporation, present in person or represented by proxy, shall constitute a quorum for the transaction of business. If, however, such quorum shall not be present or represented at a meeting, the members entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called. If adjournment extends past thirty (30) days, notice of the date on which the adjourned meeting is to be reconvened shall be given as herein provided for regular meetings.

Section 5. Uniform Rate of Assessment. Both Annual Assessment and Special Assessments shall be fixed at a uniform rate for all Assessable Lots, and shall be payable as determined and ordered by the Corporation.

Section 6. Date of Commencement of Assessments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the passage of a resolution by the Board duly establishing same. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

Section 7. Statements for Assessments. When the Board has determined the amount of any assessment, the Treasurer of the Corporation (or the personnel to whom such authority has delegated) shall mail or present a statement of the assessment to each of the assessed owners. All assessments shall be payable to the Corporation, and upon request, the Treasurer or his designated agent shall give a receipt for each payment made.

Section 8. Management contract. The Board may enter into a management contract with third parties to whom the Board may delegate the power to collect assessments approved by the Board or required by the Declaration.

Section 9. Past-due assessments bear interest. All assessments not paid when due shall bear interest at the rate of six (6.00) per cent. per annum.

Section 10. Excess of Assessments: In any year in which there funds from assessments remain after the payment of all proper expenses of the Corporation, the Board of Directors may order that the excess funds be placed in an interest bearing reserve account for future needs, or the Board of Directors may order that such remaining funds be used in the succeeding year for payment of expenses that otherwise would be included for assessment in the following year.

ARTICLE IX

DEFAULT

Section 1. Enforcement of Lien for Assessment. In the event an owner does not pay any sums, charges, or assessments required to be paid to the Corporation by the due date, the Corporation, acting on its behalf or through its Board, may enforce its lien for assessments, or take such other action to recover the sums, charges of assessments to which it is entitled, in accordance with the Declaration and the statutes made and provided, or both.

Section 2. Foreclosure: If the Corporation becomes the owner of a lot by reason of foreclosure, it shall offer said lot for sale, and, at such time as a sale is consummated, it shall deduct from the proceeds of such sale, all sums of money due it for assessments and charges, all costs incurred in the bringing of the foreclosure suit,

including reasonable attorney's fees, funds necessary to discharge any liens or mortgages of record, and any all expenses incurred in the resale of the lot, which shall include but not be limited to advertising expenses, real estate brokerage fees, expenses necessary for the repairing and refurbishing of the lot in question. All monies remaining after deducting the foregoing items of expenses, costs and other deductions shall be returned to the former owner of subject lot.

Section 3. Other Remedies: In the event of violation of the provisions of the Declaration as the same are defined in the Declaration, for thirty (30) days after notice from the Corporation to the lot owners to correct said violation, the Corporation, on its behalf or by and through its Board of Directors, may bring appropriate action to enjoin such violation, or may enforce the provisions of said Declaration, or may sue for damages, such other courses of action, or other legal remedy as it or they may deem appropriate.

Section 4. Legal Costs: In the event any legal action is brought against any owner and results in a judgment for the Corporation, the owner shall pay the Corporation's reasonable attorney's fees, costs of collection and court costs.

Section 5. Intent: Each owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the availability of other equally adequate legal procedures. It is the intent of all owners of lots to give to the Corporation a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from the owners of lots, and to preserve each lot owner's right to enjoy his lot, free from unreasonable restraint and nuisance.

ARTICLE X

INDEMNIFICATION

The Corporation may indemnify any director or officer of the Corporation who is made a party to an action by reason of his being or having been a director or officer of the Corporation against any reasonable expenses, including attorney's fees actually and necessarily incurred by him in connection with the defense or settlement of such action, or in connection with an appeal therein, except in relation to such matters as to which such director or officer is adjudged to have been guilty of gross negligence or misconduct in the performance of his duty to the Corporation.

ARTICLE XI

AMENDMENT

Section 1. Amendment While Broadwell Land Company is a Class B Member. During the period that there Class B members are permitted and while Broadwell Land Company remains as an actual Class B Member, these By-Laws may be altered, amended or added to by the sole action of Broadwell Land Company at any time, and from time to time, acting its discretion, by executing in the name of Broadwell Land Company a written instrument that alters, amends or adds to these By-Laws and recording same in the office of the Register of Deeds for Cumberland County, North Carolina.

Section 2. Amendment When Broadwell Land Company is no longer a Class B Member. When Broadwell Land Company is no longer as an actual Class B Member, these By-Laws may be altered, amended or added to at an Annual Meeting or a Special Meeting by complying with following requirements: (a) the notice of the meeting shall contain a full statement of the proposed amendment; (b) the quorum for the purpose of voting on the amendment shall be a majority of the then members present in person or by proxy; and (c) there shall be an

affirmative vote of a majority of the quorum of members present in person or by proxy. No amendment shall become operative until it is recorded in the office of the Register of Deeds for Cumberland County, North Carolina.

ARTICLE XII

CONSTRUCTION

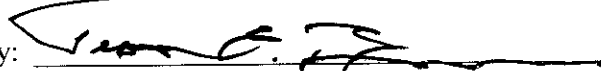
In the case of any conflict between the Article of Incorporation and these By-Laws, the Articles shall control; and in case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular plural, wherever the context so requires.

The foregoing ByLaws were adopted as the ByLaws of SILVERHILL AT SPRINGFIELD OWNERS ASSOCIATION, INC. at a meeting of its Board of Directors on June 23, 2009.

SILVERHILL AT SPRINGFIELD
OWNERS ASSOCIATION, INC.

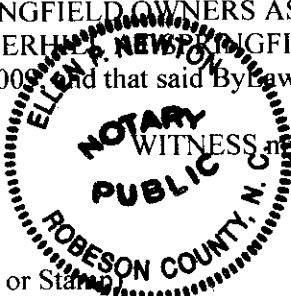
By:


Leon E. Brown, Secretary

NORTH CAROLINA


CUMBERLAND COUNTY

This is to certify that on the 23rd day of June, 2009, before me, a Notary Public of North Carolina, personally appeared Leon E. Brown who, being first duly sworn, said that he is Secretary of SILVERHILL AT SPRINGFIELD OWNERS ASSOCIATION, INC. and that the foregoing was adopted as the ByLaws of SILVERHILL AT SPRINGFIELD OWNERS ASSOCIATION, INC. at a meeting of its Board of Directors on June 23, 2009 and that said ByLaws are now in full force and effect.



(Seal or Stamp)

WITNESS my hand and official seal, this 23rd day of June, 2009.


(Signature of Notary Public)
Ellen P. Newton
(Printed name of Notary Public)
Notary Public

My Commission Expires: 04-19-2011

(N.P. SEAL)