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STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

AMENDMENT AND RESTATEMENT
OF BY-LAWS OF BENTLEY GARDENS
IN HARVEST GROVE HOMEOWNERS
ASSOCIATION, INC.

This attached Amendment and Restatement of the By-Laws of BENTLEY GARDENS in Harvest Grove Homeowners Association, Inc., hereinafter, "the Association," is made and entered into this 24th day of October, 2022 by the Association as evidenced by signatures of its officers hereinafter affixed.

WITNESSETH:

WHEREAS, BEASLEY ASSOCIATES, a North Carolina General Partnership, developed a Subdivision in New Hanover County, North Carolina, known as BENTLEY GARDENS as further described in Map Book 39, at page 317, of the New Hanover County Registry, and as revised in Map Book 43, at page 180, of the New Hanover County Registry; and

WHEREAS, the said BEASLEY ASSOCIATES caused to be recorded a Declaration of Restrictions – Bentley Gardens, in Book 2733, at page 12, of the New Hanover County Registry, which authorized formation of the Association and included By-Laws of the Association in Book 2733 at pages 23 through 39 thereof; and

WHEREAS, the said BEASLEY ASSOCIATES caused to be recorded a Second Amendment to the Declaration of Restrictions – Bentley Gardens in Book 3633, at page 932, of the New Hanover County Registry, which Second Amendment in paragraphs 13 through 19 thereof also amended the By-Laws of the Association as previously recorded in Book 2733, at pages 23 through 39, of the New Hanover County Registry; and

WHEREAS, ARTICLE VII of the Association's By-Laws as so amended provides that the By-Laws may be further amended upon approval by seventy-five percent (75%) of the votes of the membership present at a special meeting called under By-Laws ARTICLE II, SECTION 6 for the specific purpose of considering proposed By-Laws changes; and

WHEREAS, at a special meeting of the Association's membership held on September 10, 2022, following due notice given under By-Laws ARTICLE II, SECTION 7, the membership approved multiple amendments to the By-Laws by a positive vote of ninety percent (90%) of the members present in person or by proxy at that meeting;

NOW, THEREFORE, the Association hereby amends the By-Laws to incorporate the amendments approved on September 10, 2022, by restating the By-Laws document in its entirety to read as specified in the attachment hereto, which restatement completely supersedes and replaces all prior versions of the By-Laws document.

IN WITNESS WHEREOF, the Association has caused its duly authorized officers to execute this document as of the month, day, and year first above written.

BENTLEY GARDENS in Harvest Grove
Homeowners Association, Inc.

By David R. Ward
David R. Ward, President

ATTEST:

David P. Fales
David P. Fales, Secretary/Treasurer

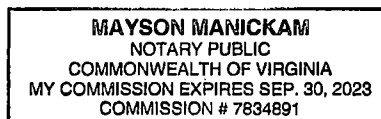
STATE OF VIRGINIA
COUNTY OF FAIRFAX

I, MAYSON MANICKAM, a Notary Public, certify that David P. Fales personally appeared before me this day, acknowledged that he is Secretary/Treasurer of BENTLEY GARDENS in Harvest Grove Homeowners Association, Inc., a North Carolina nonprofit corporation, and by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President and attested by him as its Secretary/Treasurer. Witness my hand and official seal or stamp, this the 24TH day of October, 2022.

Mayson Manickam
NOTARY PUBLIC

MAYSON MANICKAM
PRINTED NAME

My commission expires: 09/30/2023



BY-LAWS OF
BENTLEY GARDENS in Harvest Grove Homeowners Association, Inc.
As Amended and Restated Pursuant to Membership Vote September 10, 2022

ARTICLE I.
GENERAL PROVISIONS

SECTION 1 - IDENTITY: These are the By-Laws of the BENTLEY GARDENS in Harvest Grove Homeowners Association, Inc. (hereinafter, "the Association"), a non-profit corporation organized pursuant to the laws of the State of North Carolina; the Articles of Incorporation for which have been recorded in Book 2780, at Page 478, in the Office of the Register of Deeds of New Hanover County, North Carolina.

SECTION 2 - INCORPORATION: The provisions of these By-Laws supplement and are enacted pursuant to the provision of the above referenced Articles of Incorporation and are applicable to the record owners of lots located upon or within that certain development of real property known as BENTLEY GARDENS as shown upon a map thereof recorded in Map Book 39, at Page 317, as amended in Map Book 43, at Page 180, of the New Hanover County Registry, excepting, however, lots designated as Lots 31, 32, 33, and 34 which are excluded from the Association under the Declaration of Restrictions – Bentley Gardens recorded in Book 2733, at Page 13 of the New Hanover Registry, as amended.

SECTION 3 - APPLICATION: These By-Laws shall, in conjunction with the above referenced Articles of Incorporation govern the affairs, rights, privileges, duties and obligations of the Association, all owners, all mortgagees, Beneficiaries under Deeds of Trust, Lessees and occupants of all lots subject hereto, their employees and all others who may use or enjoy any of the property subjected hereto, and the acceptance of a deed for or conveyance of, or the succeeding title to, or the entering into a lease for, or the actual occupancy of, or use of a lot, the common areas, streets, and amenities, or any of the improvements thereon by any of the above shall constitute an acceptance by the same of the provisions of these By-Laws, the Rules and Regulations enacted pursuant hereto and the provisions of the herein above referenced Articles, and an agreement to comply and abide by the same.

SECTION 4 - PRINCIPAL OFFICE: The principal office of the Association and of the Board of Directors shall be located at a place within New Hanover County, North Carolina as designated from time to time by the Board of Directors in appropriate filings with the North Carolina Secretary of State.

ARTICLE II.
MEMBERSHIP

SECTION 1 - IDENTIFICATION: The Association shall have a single class of voting membership with one (1) membership assigned to each lot within BENTLEY

GARDENS delineated on maps referenced in Article I, Section 2 above, except for Lots 31, 32, 33, and 34 thereof. Each membership shall be entitled to one (1) vote for each lot so owned, regardless of number of owners of that lot.

SECTION 2 - RECORDS: The Secretary of the Association shall maintain at the principal office of the Association a register of all of the current owners of memberships in the Association and the mailing address of each owner.

SECTION 3 - VOTING RIGHTS: If a membership is owned by one (1) person, his right to vote shall be established by the record title to his lot. If a membership is owned by more than one (1) person, or is under lease, the person entitled to cast the vote for such membership shall be designated by a certificate signed by all of the record owners of such membership and filed with the Secretary of the Association. If a membership is owned by a corporation, the person entitled to cast the vote for that membership shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or the Assistant Secretary of such corporation and filed with the Secretary of the Association. If a membership is owned by a limited liability company ("LLC"), the certificate designating the voting member shall be signed by its Manager or by an Officer of the LLC. If a membership is owned by a partnership, whether general or limited, or a joint venture, the certificate designating the voting member shall be signed by all partners or joint venturers, as the case may be. If a membership is owned by a trust, the certificate designating the voting member shall be signed by the trustee of the trust. Such certificates shall be valid until revoked or superseded by a subsequent certificate or until a change occurs in the ownership of the membership concerned. A certificate designating the person entitled to cast the vote of a membership may be revoked by any owner of such membership. If such a certificate is not on file, the vote of such membership shall not be considered in determining the requirements for a quorum nor for any other purposes under these By-Laws.

SECTION 4 - MORTGAGEES AND TRUSTEES UNDER DEEDS OF TRUST: In the event that any such lot is conveyed by mortgage or by Deed of Trust, then the rights, duties, obligations, powers and privileges of the membership appurtenant to such lot shall be exercised by the owner of the equity in the lot, and not by the mortgagee under any mortgage or the trustee or beneficiary under any Deed of Trust against such lot.

SECTION 5 – ANNUAL MEETINGS: The annual meetings of the Association shall be held on the second Saturday in November of each year unless the Board of Directors for unusual circumstances prescribes a different date, which date must be within seven (7) days after the second Saturday in November, provided, however, that in no case shall the meeting date be a legal holiday. The purpose of the annual meeting shall be for the election of the Directors of the Association for the succeeding year and for the transaction of any and all business of the Association as may properly come before the meeting.

SECTION 6 - SPECIAL MEETINGS: It shall be the duty of the President to call a special meeting of the membership if so directed by resolution of the Board of Directors or upon a petition calling for a special meeting presented to the Secretary of the

Association and signed by at least twenty-five percent (25%) of the owners of memberships in the Association. The notice of any special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

SECTION 7 - NOTICE OF MEETINGS: The Secretary shall mail to each owner of a membership in the Association notice of each annual or special meeting of the membership at least ten (10) days but not more than sixty (60) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held. Said notice shall be mailed to the address which the owner of each membership has designated to the Secretary and maintained by the Secretary on his current register of owners. The mailing of a notice of a meeting in the manner provided in this section shall be considered service of notice.

SECTION 8 - ADJOURNMENT OF MEETINGS: If any meeting of the membership cannot be held because a quorum has not attended, a majority of the membership who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not more than forty-eight (48) hours from the time the original meeting was called.

SECTION 9 - QUORUM: A quorum at all membership meetings shall consist of persons representing and entitled to cast the vote appurtenant to at least fifty-one percent (51%) of the memberships in the Association. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the membership, except when approval by a greater number of members is required by the Declaration of Restrictions, these By-Laws or by law; but those present at any meeting, though less than a quorum, may adjourn said meeting to a future time.

SECTION 10 - PROXIES: The vote appurtenant to each membership may be cast by the person designated as entitled to cast such vote by proxy. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner of the membership to which said vote is appurtenant. Such proxy shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of such meeting.

SECTION 11 - PLACE OF MEETINGS: Meetings of the Association's membership shall be held at the principal office of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

SECTION 12 – ORDER OF BUSINESS: The order of business at all meetings of the Association shall be as follows: (a) roll call; (b) proof of notice of meeting; (c) disposal of minutes of preceding meeting; (d) reports of officers; (e) reports of Board of Directors, if necessary; (f) unfinished business; and (g) new business.

ARTICLE III BOARD OF DIRECTORS

The property, affairs and business of the Association shall be managed by the Board of Directors.

SECTION 1 - NUMBER, TERM OF OFFICE AND QUALIFICATIONS: The number constituting the Board of Directors shall be three (3). Each Director shall continue in office until the annual meeting of the membership held in the year in which his term expires under Section 2 below, and until his successor shall have been elected and qualified or until his death or until he shall resign or shall have become disqualified or removed from office. Directors need not be residents of BENTLEY GARDENS; provided, however, that each Director shall be an owner or spouse of an owner in BENTLEY GARDENS other than Lots 31, 32, 33 and 34 thereof, and in the case of partnership, joint venture, or LLC owners, shall be a member or employee of such partnership, joint venture, or LLC, and in the case of corporate owners, shall be an officer, shareholder, or employee of such corporation, and in the case of fiduciary owners, shall be the fiduciary, or an officer or employee of such fiduciary. Furthermore, at no time shall the Board of Directors include more than one (1) Director associated with any single lot.

SECTION 2 – ELECTION OF DIRECTORS:

Subsection 2.1: Directors shall be elected for two-year terms under procedures of Subsection 2.2, but subject to the transition process of Subsection 2.3.

Subsection 2.2: Directors shall be elected as follows: (a) election of Directors shall be held at the annual meeting of the membership; (b) nominations for Directorships shall be made from the floor by the membership or by the Board of Directors; (c) the election shall be by written ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person representing a membership entitled to vote being entitled to cast one (1) vote for each of as many nominees as there are Directorships to be filled. There shall be no cumulative voting.

Subsection 2.3: At the Association's 2022 annual meeting, the members shall elect one (1) Director for a one-year term ending in 2023 and two (2) Directors for two-year terms ending in 2024. At annual meetings after 2022, the members shall elect one (1) or two (2) Directors depending upon number of Director terms ending at that annual meeting.

SECTION 3- REMOVAL OF DIRECTORS: Any Director may be removed by concurrence of two-thirds (2/3) of the votes of the membership of the Association present at a special meeting of the membership called for the consideration of such removal. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

SECTION 4 - ORGANIZATIONAL MEETING: The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days after an annual meeting at which any Director is elected at such place and time as shall be fixed by the Directors at that annual meeting, and no further notice of the organizational meeting shall be necessary.

SECTION 5 – REGULAR MEETINGS: Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of the regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by personal delivery, mail or electronic message, at least five (5) business days prior to the day named for such meetings.

SECTION 6 - SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by the President of the Association upon request of any member of the Board of Directors. The President shall provide five (5) business days notice to each member of the Board of Directors, given by mail or electronic message, which notice shall state the time, place and purpose of the meeting.

SECTION 7 - WAIVER OF NOTICE: Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors, in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all of the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 8 - QUORUM: At all meetings of the Board of Directors a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at such a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

SECTION 9 - COMPENSATION: No member of the Board of Directors shall receive any compensation from the Association for acting as such.

SECTION 10 - JOINDER IN MEETING BY APPROVAL OF MINUTES: The joinder of a Director in the action of a meeting by signing and concurring with the minutes of that meeting shall constitute the presence of such Director at such meeting for the purpose of determining a quorum.

SECTION 11 – PRESIDING OFFICER AT DIRECTORS’ MEETINGS: The presiding officer of a Directors’ meeting shall be the President of the Association. In the absence of the presiding officer, the Directors present shall designate one (1) of their number to preside.

SECTION 12 – ORDER OF BUSINESS AT DIRECTORS’ MEETINGS: The order of business at Directors’ meetings shall be: (a) the calling of the roll; (b) the proof of due notice of the meeting; (c) disposal of any unapproved minutes; (d) the reports of officers and committees; (e) the election of officers; (f) unfinished business; and (g) adjournment.

SECTION 13 - POWERS AND DUTIES: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association except such powers and duties as by law or by these By-Laws may not be delegated to the Board

of Directors by the membership of the Association. The powers and duties to be exercised and performed by the Board of Directors shall include the oversight of the professional property management company and communications between the membership and the management company, and shall also include but not be limited to, the following:

- a. the operation, care, upkeep and maintenance of the streets, common areas, storm water detention swales, and the improvements thereon;
- b. the determination of the amounts required for the operation, maintenance, care and upkeep of the streets, common areas, storm water detention swales, and the improvements thereto, and the amounts required for the general operation of the Association;
- c. the levying and collection of the assessments from the membership owners;
- d. the employment and dismissal of personnel as necessary for the efficient maintenance of the development and operation of the Association;
- e. the adoption and the amendment of rules and regulations governing the operation of the Association and the use and enjoyment of the streets and common areas;
- f. the opening and maintaining of bank accounts on behalf of the Association and designating the signatories requirements thereof;
- g. the purchasing, leasing or otherwise acquiring in the name of the Association or its designee, corporate or otherwise, on behalf of all members of the Association, lots offered for sale or lease;
- h. the purchasing of lots at foreclosure or other judicial sales in the name of the Association, or its designee, corporate or otherwise, on behalf of the membership;
- i. the selling, conveying, leasing, mortgaging of, voting the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise dealing with the lots acquired by the Association, and subleasing lots by the Board of Directors, on behalf of the membership of the Association;
- j. the organizing of the corporation to act as designee of the Board of Directors in acquiring title to or leasing lots by the Board of Directors on behalf of the membership of the Association;
- k. the purchasing and maintaining of insurance for the streets, common areas, storm water detention swales, and the improvements thereto pursuant to the provisions of these By-Laws;
- l. the making of repairs, additions and improvements to, or alterations of, the property, and repairs to and restoration of any property belonging to the Association, in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;
- m. the appointing of committees to be composed of members of the Association to aid in governance of the Association in such numbers and for such specific purposes as the Board may determine necessary and proper;
- n. the adoption of a seal for the Association;

- o. the enforcing of the obligations of the members of the Association, allocating income and expenses of the Association and doing anything and everything else necessary and proper for the sound management of the Association;
- p. the levying of fines or expenses against the members of the Association; and
- q. adjusting and settling claims under insurance policies obtained pursuant to the By-Laws and executing and delivering releases on settlements of such claims on behalf of all lot owners, all holders of mortgages, Deeds of Trust or other liens on the lots and all owners of any interest in the property.

SECTION 14 - LIABILITY OF THE BOARD OF DIRECTORS: The members of the Board of Directors shall not be liable to the Association or any of its members for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The members of the Association indemnify and hold harmless each member of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Articles of Incorporation, or these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any member of the Association arising out of any contract made by the Board of Directors or out of the indemnity in favor of the members of the Board of Directors shall be limited to such proportions of the total liability thereunder as his interest in the Association bears to the interest of all members of the Association in the Association. Every agreement made by the Board of Directors on behalf of the Association shall provide that the members of the Board of Directors are acting only as agents for the Association and shall have no personal liability thereunder (except as members of the Association), and that each Association member's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Association bears to the interest of all members in the Association.

SECTION 15 - FIDELITY BONDS: The Board of Directors shall obtain adequate fidelity bonds for all officers and employees of the Association. The premiums on such bonds shall constitute an expense of operating the affairs of the Association.

ARTICLE IV OFFICERS

SECTION 1 – DESIGNATIONS: The officers of the Association shall be the President, the Vice President & Treasurer (two offices held by one person) and the Secretary, all of whom shall be elected by the Board of Directors, and all of whom shall be members of the Board of Directors.

SECTION 2 - ELECTION OF OFFICERS: Officers shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors and until their successors are elected.

SECTION 3 - REMOVAL OF OFFICERS: Upon the affirmative vote of a majority of the members of the Association or members of the Board of Directors, any officer may be removed, either with or without cause; and his successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

SECTION 4 - PRESIDENT: The President shall be the chief executive officer of the Association. He shall preside at all meetings of the membership and at all meetings of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the Business Corporation Laws of the State of North Carolina, including, but not limited to, the power to appoint from among the membership any committee which he deems appropriate to assist in the conduct of the affairs of the Association.

SECTION 5 - VICE PRESIDENT & TREASURER: The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor Vice President is able to act, the Secretary shall act in the place of the President, on an interim basis. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of accounts showing all receipts and disbursements, and for the preparation of all required financial statements. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Association, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all of the duties incident to the office of Treasurer of a corporation organized under the Business Corporation laws of the State of North Carolina. The Vice President & Treasurer shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

SECTION 6 – SECRETARY: The Secretary shall keep the minutes of all meetings of the membership and the Board of Directors; he shall have charge of all books, papers, accounts and records of the Board of Directors as the Board of Directors may direct; and he shall, in general, perform all of the duties incident to the office of Secretary of a corporation organized under the Business Corporation laws of the State of North Carolina. The Secretary shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

SECTION 7 - COMPENSATION: No officer shall receive any compensation from the Association for acting as such.

SECTION 8- EXECUTION OF INSTRUMENTS: All instruments, including, but not limited to, agreements, contracts, deeds or leases of the Association shall be executed in the name of the Association by the President or Vice President and attested to by the Secretary of the Association. All checks of the Association are to be executed by such person or persons as may be designated by the Board of Directors.

ARTICLE V OPERATION OF THE ASSOCIATION

SECTION 1 - RULE MAKING: The Board of Directors shall promulgate and establish, pursuant to the provisions set out hereinbelow, reasonable rules and regulations governing the use, enjoyment, maintenance, repair of and additions or alterations to the streets, common areas and amenities, and the improvements thereon.

Subsection 1.1 - PROCEDURES: The Board of Directors or a rule making committee specifically appointed by the President, shall formulate reasonable rules and regulations, or amendments or modifications thereto, to be proposed to the membership of the Association. Such proposals may be considered by the membership of the Association for adoption either at the annual meeting of the membership or at a special meeting of the membership called by the President specifically for the consideration of the adoption of such proposals. All such proposals shall be stated in writing and sent to the owners of the memberships in the Association in any notice of the special meeting called for the consideration thereof, or at least fifteen (15) days prior to the annual meeting of the membership of the Association at which they will be considered. At such meeting such proposed rules and regulations shall be considered new business of the Association. In order to be adopted as rules and regulations, or as amendments or modifications thereof, of the Association such proposed rules and regulations, amendments, or modifications must receive assent from two-thirds (2/3) of the votes of the entire membership of the Association present in person or by proxy at such meeting.

Subsection 1.2 - AMENDMENT, MODIFICATION, ADDITIONS OR REPEAL: In addition to the above, any member of the Association may propose a modification, amendment, addition to or repeal of any and all rules and regulations of the Association by stating the same in writing to the Board of Directors. If any such member shall have obtained to such proposal the signatures of at least twenty-five percent (25%) of the membership owners in the Association, then the Board of Directors shall submit such proposal to the Association at the next annual meeting of the Association for consideration or at a special meeting of the Association called pursuant to a request therefore made in such proposal when submitted to the Board of Directors. Adoption of any such proposal shall be as stated in Subsection 1.1 hereinabove.

Subsection 1.3 - PROHIBITIONS: No rule or regulation and no amendment, modification, addition to or repeal of any or all of the rules or regulations of the Association shall discriminate against any lot owner or against any lot or group of lots unless the owners thereof so affected shall consent in writing. No rule or regulation and no amendment, modification, addition to or repeal of any of the rules or regulations of the Association shall change any lot, change the common areas and amenities, increase any owner's share in the common expenses of the Association or change the voting rights of any member unless the owner of the membership appurtenant to the lot so affected, and all record owners of liens thereon shall join in the execution of such rule, regulation, amendment, modification, addition to or repeal of the same.

Subsection 1.4 - RECORDING: A copy of all rules and regulations or amendments, additions, modifications to or repeals of rules and regulations of the Association shall be certified by the President and Secretary of the Association as having been duly adopted by the Association and shall be effective from the date the same is recorded in the office of the Register of Deeds of New Hanover County, North Carolina.

SECTION 2 – INSURANCE: The Board of Directors shall be required to obtain and maintain, to the extent possible, the following insurance:

Subsection 2.1 - FIRE INSURANCE: With extended coverage, vandalism and malicious mischief endorsements, insuring all improvements upon the street, common areas and the amenities, and covering the interests of the Association, the Board of Directors, and all owners and their mortgagees or beneficiaries under Deeds of Trust, as their respective interest may appear, in an amount at least equal to the full replacement value of all structures insured, without deduction for depreciation; each of said policies shall contain a North Carolina standard mortgage clause in favor of each mortgagee or beneficiary under a Deed of Trust of a lot which shall provide that the loss thereunder shall be payable to such mortgagee or beneficiary under Deed of Trust as its interest may appear, subject, however, to the loss payment provisions in favor of the Association hereinafter set forth.

Subsection 2.2 – FLOOD INSURANCE: Covering all of the lots when required or deemed necessary.

Subsection 2.3 - PUBLIC LIABILITY INSURANCE: In such limits as the Board of Directors may, from time to time, determine covering each member of the Board of Directors, each officer of the Association, the Association and each owner of a lot; such public liability coverage shall also cover cross-liability claims of one insured against another.

Subsection 2.4 – OTHER INSURANCE: Such other insurance as the Board of Directors may determine is necessary for the protection of the development, the Association, its Directors, officers and members.

Subsection 2.5 - PREMIUMS: The premiums for all such insurance shall be an annual expense of the Association, and as such, shall constitute a portion of the annual assessment to be levied against each member of the Association pursuant to the provisions of these By-Laws.

Subsection 2.6 - ADJUSTMENT FOR LOSS: All such insurance policies shall provide that adjustment of loss shall be made by the Board of Directors and that the net proceeds thereof shall be payable to the Association.

Subsection 2.7 - WAIVERS, CANCELLATIONS, MODIFICATIONS, RENEWALS: All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on coinsurance or other insurance or of invalidity arising from any acts of the insured and of prorata reduction of liability, and shall

provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all insured, including all mortgagees and beneficiaries under Deeds of Trust. Duplicate originals of all policies of physical damage insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees or beneficiaries under Deeds of Trust at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the common areas, and all improvements thereon, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant hereto.

Subsection 2.8 - OWNER'S INSURANCE: The owners of lots shall not be prohibited from carrying other insurance for their own benefit provided that such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any lot owner.

Subsection 2.9 - REPAIR OR RECONSTRUCTION AFTER CASUALTY: In the event of damage to or destruction of any or all of the streets, common areas and/or improvements to the common areas as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of all damaged improvements. "Prompt repair" for this purpose shall mean that repairs are to begin not more than sixty (60) days from the date of receipt by the Association of proceeds of insurance on account of such damage or destruction, whether or not sufficient to pay the estimated costs of such work. The Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the net insurance proceeds received by or payable to the Association shall constitute a common expense of the Association.

In the event of a repair or restoration of the improvements to the property and in the event that the net proceeds of insurance received by or payable to the Association shall exceed the cost of such repair or restoration, then such excess shall be held by the Association in its capital improvements reserve.

SECTION 3 - MAINTENANCE: The Board of Directors shall provide for the upkeep, care, preservation, protection and maintenance of the streets, common areas, and the improvements thereon, as follows:

- a. repair and repave, when necessary, all pavements existing upon the streets and other common areas;
- b. upkeep, maintain and preserve all grasses, lawns, trees, shrubs, gardens and other vegetation maintained upon the common areas;
- c. repair, reconstruct, repaint, and maintain any and all other improvements, of whatever nature, made to the common areas; and
- d. maintain all lawns in the community, including grassed areas, shrubs, hedges, and mulch areas except with respect to Lots 31, 32, 33, and 34, of the subdivision as provided herein and in the Declaration of Restrictions.

Subsection 3.1 - RIGHT OF ACCESS: For the purpose solely of performing all of the above described maintenance, etc., the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to any and all owners concerned to enter upon any lot, at any reasonable hour of any day.

Subsection 3.2 - OWNERS' REPAIRS: Any maintenance, repair, replacement, etc., to any of the streets, common areas, or any of the improvements thereon, caused by the negligence, misuse, neglect or willful act of any owner, his family, tenants, guests or invitees shall be performed by the Association at the sole cost and expense of said owner, said cost and expense therefore to be added to said owner's annual assessment.

Subsection 3.3 - EXPENSE: All maintenance, repair, reconstruction, replacement, etc., as outlined hereinabove, is to be performed by or through the Board of Directors and the cost and expense thereof shall, except as provided in Subsection 3.2 hereinabove, be an annual expense of the Association.

SECTION 4 – FISCAL MANAGEMENT: The Board of Directors shall, from time to time, and at least annually, prepare a budget for the Association, determining the projected annual costs to the Association of performing all of the duties of and fulfilling all of the obligations of the Association. These costs shall include all of the costs incurred by the Association in the performance of those duties and obligations outlined in the Articles of Incorporation, applicable to the development, and Article III, Section 13, and Article V of these By-Laws, as well as the costs necessary for the efficient management of the Association (including amounts for an operations reserve and a capital improvements reserve, if deemed necessary by the Board of Directors). The budget, so prepared, shall be submitted to the membership of the Association for approval at the annual meeting of the membership. The proposed budget must be approved by a vote of at least fifty-one percent (51%) of the votes of the entire membership of the Association, represented in person or by proxy at such meeting.

Subsection 4.1- ANNUAL ASSESSMENTS: After approval of the proposed budget of the Association, the Board of Directors shall assess each lot within the development subject hereto an equal amount of the projected annual costs to the Association as described hereinabove. The Board of Directors shall cause the Secretary of the Association to provide each member of the Association a statement of the annual assessment against his lot in writing, stating the date payment thereof is due, at least thirty (30) days prior to the due date. All assessments shall be due and payable on the date and in such installments, if allowed, as the Board of Directors may determine.

Subsection 4.2 - NATURE AND ENFORCEMENT OF ASSESSMENTS: The nature and enforcement of the collection of assessments is set forth in the Declaration of Restrictions for BENTLEY GARDENS which are recorded or to be recorded in the New Hanover County Registry.

Subsection 4.3 -SUBORDINATION: The lien for unpaid assessments provided for hereinabove shall be subordinate to the lien of any first mortgage or first Deed of Trust against any lot.

SECTION 5 - RECORDS AND AUDITS: The Board of Directors shall keep detailed records of the action of the Board of Directors, minutes of the meeting of the Board of Directors, minutes of the meetings of the membership of the Association and financial records and books of account of the Association, including a chronological listing of receipts and expenditures, as well as a separate account for each lot which, among other things, shall contain the amount of each annual assessment, and other assessments, against each lot, the date when due, the amount paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenses of the Association shall be rendered by the Board of Directors to all members of the Association at least semi-annually. In addition, an annual report of the receipts and disbursements of the Association shall be rendered by the Board of Directors to all members of the Association who have requested the same, promptly but after the end of each fiscal year. Each member of the Association shall be permitted to examine all of the books and accounts of the Association at reasonable times on business days, but not more than once a month.

SECTION 6 - CONDEMNATION: In the event of a taking in condemnation or by eminent domain of part or all of the property, the award made for such taking shall be payable to the Association, and the Board of Directors shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in these By-Laws.

ARTICLE VI PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of all Association meetings, not in conflict with the Articles of Incorporation, the Declaration of Restrictions, and these By-Laws.

ARTICLE VII AMENDMENTS

These By-Laws may be amended in the following manner: (a) any member of the Association may propose any amendment or modification to these By-Laws by submitting the same in writing to the President of the Association, (b) in order to qualify for consideration by the Association, any such amendment or modification must be signed by at least twenty-five percent (25%) of the owners of the memberships in the Association; (c) upon receipt of such proposed amendment or modification, the President of the Association shall immediately follow the procedures outlined hereinabove under Article II, Section 6, entitled SPECIAL MEETINGS; (d) any such proposed amendment or modification in order to become a part of these By-Laws must be approved by seventy-five percent (75%) of the votes of the entire membership of the Association present in person or by proxy at such meeting. No amendment or modification shall discriminate against any owner, any lot, any group of owners, or any group of lots unless all of the owners so affected so consent.

Furthermore, no amendment or modification shall change any lot, change the common areas, increase any owner's assessment, or change the voting rights of any members unless the owner or owners of the memberships or lots so affected and all holders of liens against such owners or owners' lots shall approve in writing such amendment or modification.

ARTICLE VIII MISCELLANEOUS

SECTION 1 - NOTICES: All notices to the Board of Directors shall be sent by first class mail to the principal office of the Board of Directors. All notices to owners shall be sent by first class mail to such addresses as may have been designated by such owners in writing to the Secretary of the Association. All notices to mortgagees of or beneficiaries under Deeds of Trust against lots shall be sent by first class mail to their respective addresses designated by them in writing to the Secretary of the Association. Instead of using first class mail as provided above, the sender of any notice may in circumstances the sender deems appropriate, use an alternative notice method which may at sender's option involve a proof of delivery. Notice shall be deemed to have been given (a) when received in the case of any change of address notice, (b) when mailed in the case of any other notice not involving a proof of delivery, or (c) when mailed in the case of any other notice involving a proof of delivery but only if the notice is received as confirmed by the proof of delivery. In cases where a sender uses a delivery provider other than the US Postal Service, "mailed" as used herein shall mean the date the notice is provided to that delivery provider for such delivery. Notwithstanding the foregoing, notices of membership meetings shall be given in accordance with Article II, Section 7 and notices of Board meetings shall be given in accordance with Article III, Sections 5 and 6.

SECTION 2 - WAIVER OF NOTICE: Whenever any notice which is required to be given to any member, Director or officer of the Association by the provisions of the North Carolina Nonprofit Corporation Act, the provisions of the Articles of Incorporation or these By-Laws, is waived in writing, signed by the person or entities entitled to such notice, whether before or after the time stated therein, such shall be equivalent to the giving of such notice.

SECTION 3 - INVALIDITY: The invalidation of any provision of these By-Laws by any court, agency, or legislature shall in no way affect the validity of any other provision of these By-Laws, and the same shall remain in full force and effect.

SECTION 4 - CAPTIONS: The captions herein used are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

SECTION 5 - GENDER: The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the neutral gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

SECTION 6 - WAIVER: No restriction, condition, obligation or provision contained in these By-Laws 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 may occur.

SECTION 7 – FISCAL YEAR: The fiscal year of the Association shall be the calendar year.

SECTION 8 - SEAL: The seal of the Association shall be in such form as shall be approved from time to time by the Board of Directors of the Association.

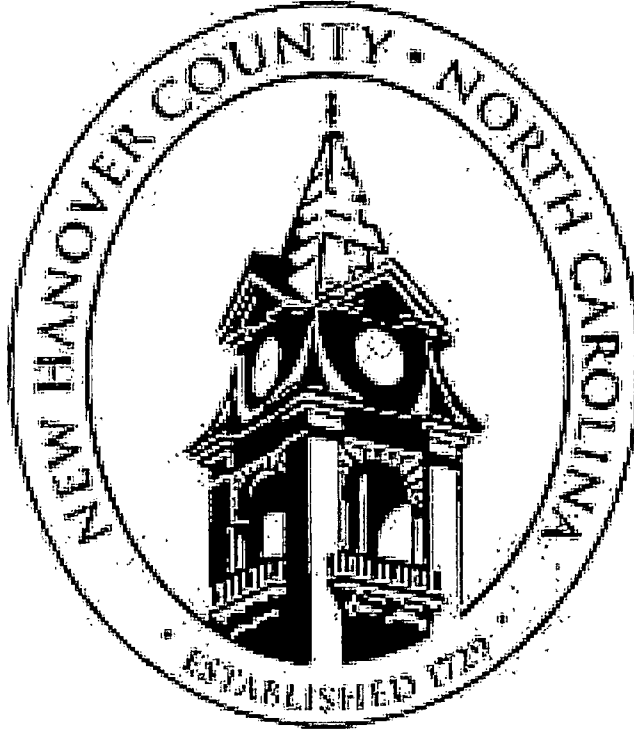
[End of By-Laws; remainder of this page intentionally left blank.]

TAMMY THEUSCH
PIVER
Register of Deeds

New Hanover County

Register of Deeds

320 CHESTNUT ST SUITE 102 • WILMINGTON, NORTH CAROLINA 28401
Telephone 910-798-4530 • Fax 910-798-7716



State of North Carolina, County of NEW HANOVER
Filed For Registration: 10/28/2022 11:19:46 AM
Book: RB 6603 Page: 1306-1323
18 PGS \$34.00
Real Property \$34.00
Recorder: KELLIE GILES
Document No: 2022037661

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