

BY-LAWS OF
WATERLEAF OF MINT HILL HOMEOWNERS ASSOCIATION, INC.

(Amended February 18, 2013)

ARTICLE I

The name of the corporation is WATERLEAF OF MINT HILL HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 9729 Bales Lane, Mecklenburg County, Charlotte, North Carolina 28227, and the meetings of Members and Directors may be held at such places within the Mecklenburg County, North Carolina as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

All capitalized terms not defined herein shall have the meanings ascribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for Waterleaf of Mint Hill executed by Waterleaf of Mint Hill, LLC as Declarant therein, and recorded or to be recorded in the Office of the Register of Deeds of Mecklenburg County, North Carolina (as same may be modified, amended, or supplemented, from time to time, the "Declaration").

ARTICLE III
MEMBERSHIP AND VOTING

Section 1. Every Owner of a Lot subject to assessment shall be a Member of the association. Membership shall be appurtenant to and may not be separated from ownership of any Lot subject to assessment.

Section 2. The voting rights of the membership shall also be appurtenant to the ownership of the Lots. There shall be one class of lots with respect to voting rights:

(a) Class A Lots. Every Person who is an Owner shall be a Class A Member. Class A Members shall be entitled to one (1) vote per Lot. No more than one vote per Lot may be cast by Class A Members, regardless of the number of Owners of a given Lot. However, regardless of the foregoing, Builders shall be non-voting Class A Members.

ARTICLE IV MEETING OF MEMBERS

Section 1. Annual Meeting. Regular annual meetings of the Members shall be held on the same day of the same month of each year, at a date, time and location in Mecklenburg County, North Carolina selected by the Board of Directors (the "Board"). If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President, or by a majority of the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of all the then-current outstanding Membership.

Section 3. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated above, a substitute annual meeting may be called in accordance with Section 2 above. A meeting so called shall be designated and treated for all purposes as an annual meeting.

Section 3. Notice of Meetings. Unless otherwise specified in the Governing Documents, written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, no less than fifteen (15) nor more than fifty (50) days before such

meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting including the text of any then-current proposals to be voted on at such special meeting. Waiver by a member in writing of the notice required herein or appearance at said meeting without objection to the notice, signed by him or after such meeting, shall be equivalent to the giving of such notice.

Section 4. Quorum. Unless otherwise specified in the Declaration, Articles of Incorporation or By-Laws, the presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-fifth (1/5) of the votes of each class of membership shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall by majority vote of those present in person or by proxy have power to adjourn the meeting from time to time, without notice other than announcement at the meeting. The quorum requirement of the next meeting shall be one-half (1/2) of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present. Thereafter, the quorum shall increase to the original amount.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, appoint a specific person to act and/or vote, and be dated and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. If a proxy is granted or issued for the purpose of voting or acting at a particular meeting, the proxy shall be valid for that meeting only. If a proxy is not granted or issued for a particular meeting and unless a shorter period is specified, no proxy is valid for more than two months after its date.

Section 6. Procedure. The Board may elect to operate each meeting by Robert's Rules of Order or by any method it deems appropriate.

Section 7. Informal or Written Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by Members holding a minimum of a quorum number of votes that would be entitled to vote at such a meeting, and filed with the Association's records in its minutes book.

ARTICLE V BOARD OF DIRECTORS

Section 1. Number, Term and Qualification. The affairs of this Association shall be managed by a Board of five (5) Directors, who need not be Members of the Association. The Members shall elect three (3) Directors to serve for a term of one (1) year, and two Directors to serve for a term of two (2) years. At each annual meeting thereafter, the Members shall elect the number of Directors needed to fill the space or spaces left by the Director or Directors whose term is due to expire for a term of two years. Each Director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 2. Nomination. For each annual meeting, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than a number of vacancies that are to be filled. Such nominations may be made from among Members and non-Members.

Section 3. Election. Except as provided with regard to vacancies hereunder, each Director shall be elected at the annual meeting of the members by secret written ballot. At such elections the Members or their proxies may cast, in respect to each vacancy, as many votes as

they are entitled to exercise under the provisions of Article III of these Bylaws. The persons receiving the largest number of votes shall be elected. Fractional and cumulative voting is not permitted. In the event any Director resigns, the remaining Directors shall elect a substitute Director to fill his or her unexpired term.

Section 4. Removal. Any Director, other than those appointed to fill a resignation in accordance with the provisions herein, may be removed from the Board, with or without cause, by a majority vote of the Members of the Association present and entitled to vote at any meeting where quorum is present.

Section 5. Vacancies. In the event of death, resignation or removal of a Director pursuant to these Bylaws, if such Director was elected by the Members of the Association, his successor shall be selected by the then-remaining Directors and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular Meetings of the Board of Directors shall be held at least quarterly without notice at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as

the act of the Board. If, however, such quorum shall not be present or represented at any meeting, the Directors entitled to vote thereat shall by majority vote of those present in person or by proxy have power to adjourn the meeting from time to time, without notice other than announcement at the meeting and a written notification of same delivered personally or by electronic mail or regular mail to each Director at the contact information on file with the Association. The quorum requirement of the next meeting shall be one-half (1/2) of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present. Thereafter, the quorum shall increase to the original amount.

Section 4. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 5. Chairman. A Chairman of the Board shall be elected by the Directors and shall preside over the Board meetings until the President is elected, and thereafter the President shall assume such role. In the event of a vacancy in the office of Presidency, a Chairman may be selected by the Board to serve until a new President is selected.

Section 6. Procedure. The Board may elect to operate each meeting by Robert's Rules of Order or by any method it deems appropriate.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to exercise those powers and responsibilities and the Board shall perform all duties and functions allotted to

owner's associations by Article 3 of the Planned Community Act, the terms and provisions of which are incorporated herein.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a summarized statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by the number of Members required to call such special meeting;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot as provided in the Declaration;

(2) send written notice of any assessment to every Lot Owner subject thereto as provided in the Declaration; and

(3) foreclose the lien against any property for which any assessments are not paid as provided in the Declaration or to bring an action at law against the owner personally obligated to pay the same.

(4) issue, or to cause an appropriate officer to issue, upon demand by any Lot Owner, a certificate setting forth whether or not any assessment has been paid by that Lot Owner. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(5) procure and maintain liability and hazard insurance on property owned by the Association as set forth in the Declaration;

(6) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

- (7) cause the Common Area, including private streets, to be maintained;
- (8) to pay ad valorem taxes and public assessments levied against the Common Areas.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this association shall be a President and a Vice-President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create (all of the holders of such offices being collectively referred to herein as "Officers").

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

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

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer of the Association may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the office he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse the funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books

to be made by an independent public accountant or the Board of Directors at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members. The Treasurer shall issue certificates indicating the payment or non-payment of assessments on specified lots.

ARTICLE IX COMMITTEES

The Association shall appoint an Architectural Review Committee, as provided in the Declaration, and Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X BOOKS AND RECORDS

The Declaration, Articles of Incorporation, and Bylaws shall be available at reasonable hours Monday through Friday at the principal office for inspection and copying by Members and copies of such may be purchased at reasonable cost. All other documents shall be made available as provided in the North Carolina Non-Profit Corporation Act, unless otherwise provided or prohibited by law.

ARTICLE XI ASSESSMENTS

As more fully provided in Article IX of the Declaration, each Member is obligated to pay to the Association Annual, Special and Specific Assessments which are secured by a continuing lien upon the property which the assessment is made. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the

maximum rate allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in the same manner that Mortgages may be foreclosed under the Code of Laws of North Carolina, or its successors; and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII VIOLATION OF DECLARATION AND RULES AND REGULATIONS

Failure to abide by any Rules or Regulations published by the Association or the terms of the Declaration shall be grounds for an action brought by the Association or any aggrieved Owner, to recover damages or obtain injunctive and equitable relief or both. In addition, a fine may be imposed as a Specific Assessment for such violations as set forth in the Declaration. In addition to these remedies, in the event of violation by an owner of any rules or regulations, such Owner's voting rights and rights to use the recreational facilities may be suspended by the Board.

As set forth in the Declaration before such Owner's voting rights and rights to use the recreational facilities may be suspended by the Board, a notice and an opportunity to be heard shall be provided as provided in the Declaration. For such notice and opportunity to be heard the general requirements of due process shall be observed. The duration of such suspension shall be set by the Board and shall not exceed sixty days for each violation (1) after such violation has been cured or (2) after such cure has been initiated and is being pursued diligently (with the beginning point of such suspension being decided in the sole discretion of the Board). Such hearing shall only be held by the Board after giving the Owner ten (10) days' prior written notice (unless such Owner waives notice) which specifies each alleged violation and set the time, place and date of the hearing. A determination of the

violation and the time of suspension or other sanction shall be made by a majority vote of the Board.

**ARTICLE XIII
INDEMNIFICATION OF OFFICERS AND DIRECTORS**

The Association shall indemnify any and all persons who may serve or whom have served at any time as directors or officers of the Association against any and all expenses, including amounts paid upon judgments, counsel fees and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any claim, action, suit or proceeding in which they, or any of them, are made parties, or a party, which may be asserted against them or any of them, by reason of being or having been directors or officers or a director or an officer of the Association, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in any action, suit or proceeding guilty of willful and intentional negligence or misconduct in the performance of his or her duties to the Association. Provided, however, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association.

The provisions hereof shall be in addition to and not exclusive of any and all other rights to which any director or officer may otherwise be entitled under any law, bylaw, agreement, vote of Association Members or otherwise. In the event of death of any officer or director, the provisions hereof shall extend to such person's legal heirs, representatives, successors and assigns. The foregoing rights shall be available whether or not such person or persons were in fact directors or officers at the time of incurring or becoming subject to such expenses, and whether or not the proceeding, claim, suit or action is based on matters which antedate the adoption of the By-law.

**ARTICLE XIV
CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words: WATERLEAF OF MINT HILL HOMEOWNERS ASSOCIATION, INC.

**ARTICLE XV
AMENDMENTS**

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of members present.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XVI
MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.
