

BYLAWS
OF
WATERSIDE OWNERS ASSOCIATION, INC.

ARTICLE 1

NAME AND LOCATION

The name of the corporation is WATERSIDE OWNERS ASSOCIATION, INC. The principal office of the corporation shall be located at the place designated by the Articles of Incorporation of the Association, as amended from time to time, but meetings of Members and Directors may be held at such place as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to WATERSIDE OWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions, and Easements for Waterside recorded or to be recorded in the Office of the Register of Deeds of Wake County, North Carolina.

Section 3. "Declarant" shall mean and refer to Tri Pointe Homes Holdings, Inc., a Delaware corporation, and its respective successors and assigns.

Section 4. "Property" shall mean all the land shown or described on Exhibit A attached hereto, together with any land annexed by Declarant under the terms of the Declaration.

Section 5. All other definitions in the Declaration shall apply to these Bylaws.

ARTICLE III

MEMBERSHIP AND PROPERTY RIGHTS

Section 1. Membership. Membership is governed by the Articles of Incorporation for the Association and the Declaration.

Section 2. Rights of Members. Each Member shall enjoy the rights set forth in the Declaration, including the use and enjoyment of the Common Areas as more particularly described in, and governed by, the Declaration.

Section 3. Voting Rights. Voting rights are governed by the Declaration.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the later of the date of incorporation of the Association or the date of conveyance of the first Lot. Each subsequent regular annual meeting of the Members shall be held on a date and time designated by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote ten percent (10%) of all the votes of the membership.

Section 3. Notice of Meetings. Notice of meetings shall be provided as set forth in Section 47F-3-108 of the Planned Community Act. Waiver by a Member in writing of the notice required, signed by him or her before or after such meeting, shall be equivalent to the giving of such notice.

Section 4. Quorum. A quorum is present throughout any meeting of the Members if persons entitled to cast ten percent (10%) of all of the votes in the Association are present in person or by proxy at the beginning of the meeting. In the event business cannot be conducted at any meeting of the Members because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. Notwithstanding any provision to the contrary in the Declaration or these Bylaws, the quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum, and 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 and business can be conducted.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot.

ARTICLE V

BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the Association shall be managed by the Board of Directors.

Section 2. Number, Term, and Qualification.

(a) The initial Board of Directors shall be as set forth in Article VI of the Articles of Incorporation.

(b) During the Declarant Control Period, the Declarant shall determine the number of Directors. Each Director shall hold office until his or her death, resignation, retirement, removal or completion of his or her term. Each Director shall be elected for a three-

year term, provided that Directors elected in the middle of the Association's fiscal year shall serve for the remainder of that year, plus two (2) additional years. Any Director who has served a term may be re-elected. Directors need not be residents of the State of North Carolina. Directors need not be Members.

(c) After the Declarant Control Period, the number of Directors of the Board of Directors shall be five (5). A Director elected by the Members shall hold office until his or her death, resignation, retirement, removal or completion of his or her term. Each Director shall be elected for a three (3) year term, provided that Directors elected in the middle of the Association's fiscal year shall serve for the remainder of that year, plus two (2) additional years. Any Director who has served a term may be re-elected. Directors need not be residents of the State of North Carolina. Except as set forth above, Directors need not be Members, except as required by Section 47F-3-103(e) of the N.C. Planned Community Act. Notwithstanding anything to the contrary in the foregoing, however, at the initial meeting of the Members after the expiration of the Declarant Control Period (the "Initial Meeting"), the number of Directors to be elected shall be five (5), and further, one (1) of the five (5) Directors shall be elected to serve until the next annual meeting of the Members, two (2) of the five (5) Directors shall be elected to serve until the second annual meeting following such Initial Meeting and the remaining two (2) of the five (5) Directors shall be elected to serve until the third annual meeting following such Initial Meeting so that the five (5) Directors elected at such Initial Meeting and consequently, the subsequently elected Directors shall serve for staggered terms of three (3) years, such that not more than two (2) of the five (5) (or if the number of directors is increased, such that not more than one half of the) elected Directors' terms shall expire in the same year.

Section 3. Removal.

(a) Any Director selected by Declarant during the Declarant Control Period may be removed from the Board by Declarant, with or without cause. In the event of removal of a Director, such Director's successor shall be selected by Declarant and shall serve for the unexpired term of the removed Director.

(b) After the Declarant Control Period, any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association at any meeting at which a quorum is present. In the event of removal of a Director, such Director's successor shall be selected by a majority vote of the remaining members of the Board, and shall serve for the unexpired term of the removed Director.

Section 4. Vacancies.

(a) During the Declarant Control Period, a vacancy on the Board resulting from resignation, death, or otherwise (except vacancies caused by removal, which is governed by Section 3 above), shall be filled by Declarant.

(b) After the Declarant Control Period, vacancies on the Board resulting from resignation, death, or otherwise (except vacancies caused by removal, which is governed by Section 3 above) shall be filled by a majority vote of the remaining members of the Board at its first regular meeting following the creation of such vacancy, or at a special meeting called for that purpose.

Section 5. Quorum. A quorum is deemed present throughout any meeting of the Board of the Association if persons entitled to cast fifty percent (50%) of the votes on that Board are present at the beginning of the meeting. In the event business cannot be conducted at any meeting of the Board because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. Notwithstanding any provision to the contrary in the Declaration or these Bylaws, the quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum, and 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 and business can be conducted.

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

Section 7. 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 the meeting of the Directors.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination.

(a) During the Declarant Control Period, the Declarant shall select and appoint the Directors.

(b) After the Declarant Control Period, nominations for election as a Director of the Board of Directors shall be made by a "Nominating Committee." Nominations for election as a Director may also be made from the floor at the annual meeting. The Nominating Committee shall consist of the President and such other committee members as designated by the President. If the office of President is vacant, the Vice President shall name the Nominating Committee. The Nominating Committee shall be appointed prior to each annual meeting and shall serve until the close of the 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 the number of vacancies that are to be filled.

Section 2. Election. After the Declarant Control Period, election as a Director may be conducted by voice vote or by secret written ballot, at the discretion of President (or Vice President if the office of President is vacant). At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly or at such other periodic intervals as may be established by the Board of Directors from time to time, at such place and hour as may be fixed from time to time by resolution of the Board.

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. Action Without Meeting. Action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one (1) or more written consents signed by each Director before or after such action, describing the action taken, and included in the minutes or filed with the corporate records.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power, on behalf of the Association, to:

(a) exercise all powers enumerated in Section 47F-3-102 of the Planned Community Act, including:

(1) adopt these Bylaws, amend these Bylaws (pursuant to Article XIII below) and adopt rules and regulations;

(2) adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for Common Expenses from Lot Owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings on matters affecting the Association;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement, and modification of Common Areas;

(7) cause additional improvements to be made as a part of the Common Areas;

(8) acquire, hold, encumber, and convey in the Association's name any right, title, or interest to real or personal property, provided that Common Areas and may be conveyed or subjected to a security interest only pursuant to Section 47F-3-112 of the Planned Community Act;

(9) grant easements, leases, licenses, and concessions through or over the Common Areas;

(10) impose and receive any payments, fees or charges for the use, rental, or operation of the Common Areas and for services provided to Lot Owners;

(11) impose reasonable charges for late payment of assessments, not to exceed the greater of Twenty and No/100 Dollars (\$20.00) per month or ten percent (10%) of any assessment installment unpaid and, after notice and an opportunity to be heard, suspend privileges or services provided by the Association (except rights of access to Lots) during any period that assessments or other amounts due and owing to the Association remain unpaid for a period of 30 days or longer; provided, however, that the procedure for fines and/or suspension of privileges or services comply with Section 47F-3-107.1 of the Planned Community Act;

(12) after notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the Association (except rights of access to Lots) for reasonable periods for violations of the Declaration, Bylaws, and rules and regulations of the Association; provided, however, that the procedure for fines and/or suspension of privileges or services comply with Section 47F-3-107.1 of the Planned Community Act;

(13) impose reasonable charges in connection with the preparation and recordation of documents, including, without limitation, amendments to the Declaration or statements of unpaid assessments;

(14) provide for the indemnification of and maintain liability insurance for its officers, Directors, employees, and agents;

(15) assign its right to future income, including the right to receive Common Expense Assessments;

(16) exercise all other powers that may be exercised in this State by legal entities of the same type as the Association; and

(17) exercise any other powers necessary and proper for the governance and operation of the Association.

(b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by the Planned Community Act, the Articles of Incorporation, these Bylaws or the Declaration.

(c) impose attorney fees against a Lot Owner in connection with collection of past due amounts owed to the Association, or attorney fees incurred in connection with litigation to enforce the Declaration, these Bylaws or the Association's rules and regulations, subject to Section 47F-3-116 and Section 47F-3-120 of the Planned Community Act.

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;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (d) procure and maintain, to the extent available at reasonable cost, adequate liability insurance covering the Association, its Directors, officers, agents and employees and adequate hazard insurance on the Common Areas owned by the Association; and
- (e) cause the Common Areas to be maintained.

Section 3. Non-Liability. A Director of the Board shall not be liable to the Members if he performs the duties of a Director, including the duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared and presented by:

- (a) One or more officers or employees of the Association whom the Director believes to be reliable and competent in the matters presented;
- (b) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
- (c) A committee of the Board on which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence; so long as, in any such case, the Director acts in good faith, after reasonable inquiry, when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be President, Vice-President, Secretary, and Treasurer, and such other officers as the Board may from time to time by resolution create.

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. Each officer of the Association shall be elected annually by the Board and each shall hold office until a successor is chosen, unless he or she shall sooner resign, die or shall be removed or otherwise disqualified or unable to serve.

Section 4. Special Appointment. The Board of Directors 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 may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board or an officer. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

Section 7. 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; shall prepare and execute amendments to the Declaration on behalf of the Association; and shall be authorized to sign 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 or her absence, death, disability or refusal to act; and shall exercise and discharge such other duties as may be required by the Board.

SECRETARY

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meeting of the Board and of the Association, together with their addresses; shall certify and record amendments to the

Declaration on behalf of the Association; 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 such funds as directed by resolution of the Board of Directors; shall authorize payment of all checks and shall be authorized to sign checks; shall keep proper books of account; and shall prepare an annual budget and statement of income and expenditures to be presented to the Membership at its regular annual meeting, and to deliver a copy of each to the Members.

Section 8. Execution of Contracts and Other Documents. The Board by resolution may authorize any officer or officers, agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by any contract or agreement or to pledge its credit to render it liable for any purpose or for any amount.

ARTICLE X

COMMITTEES

The Board of Directors shall appoint such committees as deemed appropriate in carrying out the purposes of the Association.

ARTICLE XI

RECORDS AND BOOKS

The records, books, and papers of the Association shall at all times during reasonable business hours be subject to inspection by any Member. The Declaration, the Articles of Incorporation and these Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association.

ARTICLE XII

AMENDMENTS AND INTERPRETATION

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 in person or by proxy. Provided, further, any amendment or modification to these Bylaws must be consented to by Declarant so long as Declarant is the owner of any Lot or other portion of the Property, which consent Declarant may grant or withhold in its sole discretion. In addition, Declarant, without obtaining the approval of the Members, may make amendments or modifications to these Bylaws which either (a) are correctional in nature only and do not involve a change which materially

adversely affects the rights, duties or obligations specified herein; (b) apply only to the portions of the Property then owned by Declarant; or (c) is necessary to cause these Bylaws to comply with the requirements of any governmental agency.

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

ARTICLE XIII

MISCELLANEOUS

Section 1. The fiscal year of the Association shall begin on the 1st 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.

Section 2. Pursuant to Section 47F-3-103(f) of the Planned Community Act, the Board of Directors shall publish the names and addresses of all Directors and officers of the Association within thirty (30) days of their election.

Section 3. For all purposes permitted under N.C. Gen. Stat. §55A, including, without limitation, §§1-41, 1-70, 7-04, 7-08, 7-24, and 8-21, the Association may conduct transactions via electronic means. A Member's provision or designation of an email address, or other information processing system for electronic records, to the Association, or any Board Member or Officer, shall be deemed such Owner's agreement to receive all communications from the Association via electronic transmission.

[signature page follows]

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of WATERSIDE OWNERS ASSOCIATION, INC., a North Carolina nonprofit corporation; and

THAT the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted by its Board of Directors.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, effective this the 4th day of April, 2022 ✓



SECRETARY

Exhibit A

BEING ALL THOSE CERTAIN TRACTS OR PARCELS OF LAND LOCATED IN THE CITY OF RALEIGH, SWIFT CREEK TOWNSHIP, WAKE COUNTY, NORTH CAROLINA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND DESIGNATED AS LOT 3 AND LOT 4, LAKE SHORE OFFICE PARK, AS SHOWN ON PLAT OF SURVEY ENTITLED "LAKE SHORE OFFICE PARK, PROPERTY OF JOHN H. VOORHEES, RALEIGH, N. C., LOTS 3 & 4 -RECORD PLAT" RECORDED IN BOOK OF MAPS 1983, PAGE 1381, WAKE COUNTY REGISTRY, AND SHOWN ON PLAT RECORDED IN BOOK OF MAPS 1994, PAGE 1822, WAKE COUNTY REGISTRY, WHICH PLATS ARE REFERENCED FOR A MORE PARTICULAR DESCRIPTION.

LESS AND EXCEPT ANY PORTION(S) THEREOF TRANSFERRED AND CONVEYED BY THAT CERTAIN DEED OF HIGHWAY RIGHT OF WAY RECORDED IN BOOK 17919, PAGE 144, WAKE COUNTY REGISTRY, WHICH DEED IS REFERENCED FOR A MORE PARTICULAR DESCRIPTION.