

BYLAWS
OF
THE PEARL STREET OWNERS ASSOCIATION, INC.

ARTICLE 1

NAME AND LOCATION

The name of the corporation is THE PEARL STREET 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 THE PEARL STREET OWNERS ASSOCIATION, INC., and its successors and assigns.

Section 2. “Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Pearl Street Townhomes recorded or to be recorded in the Office of the Register of Deeds of Wake County, North Carolina, as the same may be amended from time to time.

Section 3. “Declarant” shall mean and refer to Grand Tradition, LLC, a North Carolina limited liability company, and its successors and assigns.

Section 4. “Property” shall mean all the land described in the Declaration, 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 (also called Common Elements) 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 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 10% of all the votes of the membership.

Section 3. Notice of Meetings. Notice of meetings shall be provided as set forth in the Declaration or if not specifically provided therein, then under the North Carolina Planned Community Act – Ch. 47F of the North Carolina General Statutes (the “Act” or 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 10% of all of the votes in the Association are present in person or by proxy at the beginning of the meeting. The Members present at any duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. 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 50% from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted. A proxy cast at a meeting adjourned for lack of a quorum shall be automatically deemed to be a proxy cast at the next meeting (such meeting being eligible for one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum as set forth above).

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) During the Declarant Control Period, the Declarant shall determine the number of Directors; provided, however that Declarant may, in its sole discretion, delegate the power to the Members to determine the number of Directors during the Declarant Control Period. 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 two 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 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.

(b) After the Declarant Control Period, the number of Directors of the Board of Directors shall be set by the Members and shall be at least three (3). Each Director shall hold office until his or her death, resignation, retirement, removal or completion of his or her term. At each election, the Members will elect 1 (2) Director for a one-year term and two (2) directors for a two-year term for a total of three (3) Directors, provided that Directors elected in the middle of the Association's fiscal year shall serve for the remainder of that year, plus two 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, except as required by Section 47F-3-103(e) of the N.C. Planned Community Act.

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.

(c) After the Declarant Control Period, any Director who is delinquent in his or her payment of Assessments or any Director who has been absent from more than three (3) Regular Meetings of the Board of Directors may be removed from the Board, by a majority vote of the remaining members of the Board. In the event of such 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 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.

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 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 Directors, after not less than three (3) days notice to each Director provided, however, that notice of a meeting need not be given to any Director who has signed a waiver of notice or consent to holding of the meeting.

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 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, 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.

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. In the event the Secretary is not present at a meeting of the Board or meeting of the Members, the Vice President shall record the votes and keep the minutes of all such meetings and proceedings of the Board and of the Members in the absence of the Secretary.

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. In the event the Secretary and the Vice President is not present at a meeting of the Board or meeting of the Members, the Treasurer shall record the votes and keep the minutes of all such meetings and proceedings of the Board and of the Members in the absence of the Secretary and the Vice President.

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.

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]

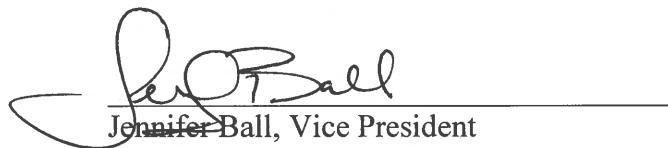
CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Vice President of THE PEARL STREET 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 24th day of February, 2025.



Jennifer Ball, Vice President