BYLAWS
OF
MAGNOLIA COVE
HOMEOWNERS ASSOCIATION, INC.

PREAMBLE

These Bylaws, dated the **29** day of **March** , 2021, are executed by Magnolia Cove, LLC (Declarant) which executes these bylaws for the purpose of establishing the Magnolia Cove Homeowners' Association, Inc. All terms and conditions of those Declaration of Covenants, Conditions and Restrictions for Magnolia Cove Subdivision (the "Restrictive Covenants"), of record in the Catawba County Office of the Register of Deeds, are incorporated herein by reference thereto.

ARTICLE I - OFFICES

The principal office of the corporation in the State of North Carolina shall be located at 4579 Paradise Cove, Sherrills Ford, NC 28673, or such other location as may be decided by the votes of the members.

ARTICLE II - STOCKHOLDERS

No members are stockholders. This non-profit corporation shall have members but no shareholders. Each lot owner of Magnolia Cove Subdivision shall have one vote per lot owned therein, whether owned by one or more persons or entities. Declarant, as defined in the Restrictive Covenants for Magnolia Cove Subdivision, shall have fifteen (15) votes for each lot owned by Declarant therein. For the purpose of these bylaws, the term "member" means the owner of one or more voting lots.

ARTICLE III - BOARD OF DIRECTORS

1. GENERAL POWERS.

The business and affairs of the corporation shall be managed by its board of directors. The directors shall in all cases act as a board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the corporation, as they may deem proper, not inconsistent with these bylaws and the laws of this State.

2. NUMBER, TENURE AND QUALIFICATIONS.

The number of directors of the corporation shall be at least three (3) but no more than five (5). Each director shall hold office until the next annual meeting of the board of directors and until his or her successor shall have been elected and qualified by the members.

3. ANNUAL MEETINGS.

An annual meeting of the members and board of directors shall be held on the third Monday of March of each year at 7:00 o'clock p.m., beginning with the year 2021 at 7:00 o'clock p.m. for the purpose of electing directors, officers and for the transaction of such other business that may come before the meeting. If the day fixed for the annual meetings shall be a legal holiday, such meeting shall be held on the next succeeding business day.

4. REGULAR MEETINGS.

A regular meeting of the members and directors shall be held without other notice than that provided by these bylaws, at a time mutually agreed upon by the Directors. The directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

5. SPECIAL MEETINGS.

Special meetings of the directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the directors may fix the place for holding any special meeting of the directors called by them. Special meetings of the members may be called by or at the request of a majority of the members.

6. NOTICE.

Notice of any special meeting shall be given at least three (3) days previously thereto by written notice delivered personally, or by telegram or mailed to each director at his home address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

7. QUORUM.

At any meeting of the directors, any three directors shall constitute a quorum for the transaction of business. At any meeting of the members, any members present shall constitute a quorum for the transaction of business.

8. MANNER OF ACTING.

The act of a quorum of the directors and/or members present at a meeting shall constitute an act thereof.

9. REMOVAL OF DIRECTORS.

Any or all of the directors may be removed for cause by vote of the directors or may be removed for any reason or no reason at all by a vote of owners oflots.

10. RESIGNATION.

A director may resign at any time by giving written notice to the board, the president or the secretary of the corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereofby the board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

Il. COMPENSATION.

No compensation shall be paid to directors, as such, for their services, but by resolution of the board, a fixed sum and expenses for actual attendance at each regular or special meeting of the board may be authorized. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

12. PRESUMPTION OF ASSENT.

A director of the corporation who is present at a meeting of the directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE IV - OFFICERS

I. NUMBER.

The officers of the corporation shall be a president, a vice-president, a secretary and a treasurer, each of whom shall be elected by the directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the directors.

2. ELECTION AND TERM OF OFFICE.

The officers of the corporation to be elected by the directors shall be elected annually at the first meeting of the directors held after each annual meeting of the members. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

3. REMOVAL.

Any officer or agent elected or appointed by the directors may be removed by the directors whenever in their judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the directors for the unexpired portion of the term.

5. PRESIDENT.

The president shall be the principal executive officer of the corporation and, subject to the control of the directors, shall, in general, supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the members and of the directors. He may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the directors, any deeds, mortgages, bonds, contracts, or other instruments which the directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the directors from time to time.

6. VICE-PRESIDENT.

In the absence of the president or in event of his death, inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall perform such other duties as from time to time may be assigned to him by the President or by the directors.

7. SECRETARY.

The secretary shall keep the minutes of the members' and of the directors' meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these bylaws or as required, be custodian of the corporate records and of the seal of the corporation and keep a register of the post office address of each member which shall be furnished to the secretary by such member, have general charge of the membership transfer books of the corporation and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the directors.

8. TREASURER.

If required by the directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with these bylaws and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the directors.

9. SALARIES.

No officer shall receive a salary unless approved by a 2/3 vote of all members entitled to vote.

ARTICLE V - CONTRACTS, LOANS, CHECKS AND DEPOSITS

1. CONTRACTS.

The directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instnunent in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

2. CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the directors.

3. DEPOSITS.

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the directors may select.

ARTICLE VI - FISCAL YEAR

The fiscal year of the corporation shall begin on **January 1** of each year and end on **December 31** of each year.

ARTICLE VII - SEAL

The directors shall provide a corporate seal which shall be circular in form and shall have

inscribed thereon the name of the corporation, the state of incorporation, year ofincorporation and the words, "Corporate Seal."

ARTICLE VIII - WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any director of the corporation under the provisions of these bylaws or under the provision of the articles of incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX - AMENDMENTS

These bylaws may be altered, amended or repealed and new bylaws may be adopted by a I 00% vote of the directors at any meeting of the directors when the proposed amendment has been set out in the notice of such meeting.

ARTICLE X - DISTRIBUTION OF EARNINGS

No part of the net earnings of the corporation shall inure to the benefit or be distributed to the directors, tmstees, officers or other private persons, except to pay reasonable compensation for the services rendered and to make payments and distributions in furtherance of the purposes as set out in the Articles of Incorporation.

ARTICLE XI - CARRYING ON OF PROPAGANDA

No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future U.S. Internal Revenue Law) or (b) by any corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future U.S. Internal Revenue Law).

ARTICLE XII - DISSOLUTION

Upon the dissolution of the corporation, the board of directors shall, after paying or making provision for the payment of all tl1e liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such a manner, or to such organization or organizations which shall at the time qualify as an exempt organization or organizations under section 50I(c)(3) of the Internal Revenue Code of 1954 (or the corresponding

provision of any future U.S. Internal Revenue Law), as the board of directors shall detennine. Any such assets not so disposed of shall be disbursed by the appropriate Comi of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall detennine, which are organized and operated exclusively for such purposes.

MAGNOLIA COVE, LLC

BY: _____ (SEAL)

Aaron Guess, Manager