

**AMENDMENT TO  
THE AMENDED AND RESTATED BYLAWS OF  
THE COLVARD FARMS  
HOMEOWNERS ASSOCIATION, INC.**

THIS AMENDMENT TO THE AMENDED AND RESTATED BYLAWS OF THE COLVARD FARMS HOMEOWNERS ASSOCIATION, INC. is effective this the 15th day of December, 2022.

**WITNESSETH:**

WHEREAS the Amended and Restated Bylaws of the Colvard Farms Homeowners Association, Inc. ("Bylaws") were adopted on January 16, 2014; and

WHEREAS Article XIII, Section 3 of the Bylaws provides that the Bylaws may be amended at a regular or special meeting of the Members of the Colvard Farms Homeowners Association, Inc. ("Association") by the affirmative vote of a majority of the Members represented in person or by proxy; and

WHEREAS, a meeting by mail pursuant to N.C.G.S. § 55A-7-08 was held on the December 15, 2022, at which meeting a quorum was present, and by a vote of a majority of Members, the amendments set forth herein were approved; and

NOW, THEREFORE, in consideration of the foregoing, the Amended and Restated Bylaws of the Colvard Farms Homeowners Association, Inc. are hereby amended as follows:

1. Article III, Section 4 of the Bylaws is hereby amended by deleting this section in its entirety and inserting in lieu thereof a new Section 4 to read as follows:

"Section 4. Notice of Meetings. 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, not less than ten (10) nor more than sixty (60) days in advance of any meeting. Notice shall be hand-delivered or sent by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner, or sent by electronic means, including electronic mail, to an electronic mailing address designated in writing by the Lot Owner. The notice of any meeting shall state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove a director or officer. In the case of a special meeting, the notice of meeting shall include a description of the matter or matters for which the meeting is called."

2. Article III, Section 6 of the Bylaws is hereby amended by deleting this section in its entirety and inserting in lieu thereof a new Section 6 to read as follows:

"Section 6. Quorum. Except as otherwise provided in the Articles, the Declaration or these Bylaws, the presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided

in the Articles of Incorporation, the Declaration, or these Bylaws. In the event business cannot be conducted at any meeting 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. 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. The quorum requirement shall continue to be reduced 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. If a meeting is adjourned to a different date, a new notice of meeting need not be given if the new date, time, and place is announced at the meeting before adjournment.”

3. Article IV, Section 2 of the Bylaws is hereby amended by deleting this section in its entirety and inserting in lieu thereof a new Section 2 to read as follows:

“Section 2. Number, Term and Qualifications. The affairs of this Association shall be managed by a Board of three (3) directors, who shall be Members of the Association. At the first annual meeting following this amendment to the Bylaws, Members voting in person or by proxy at such meeting shall elect directors to serve terms as follows: one (1) director for a term of one year and two (2) directors for a term of two years. The members of the Board of Directors shall take office upon election. At the first Board meeting held after the first annual meeting following this amendment to the Bylaws, the members of the Board shall determine, which director shall serve for a term of one year and which directors shall serve for a term of two years. At each annual meeting thereafter, the Members shall elect directors for the terms expiring that year for a term of two (2) years. Each director shall hold office until death, resignation, retirement, removal, disqualification or a successor is elected. Any natural person who is a member of the Association may serve as director.”

4. Article V, Section 6 of the Bylaws is hereby amended by deleting this section in its entirety and inserting in lieu thereof a new Section 6 to read as follows (new language appears in **bold type**):

“Section 6. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken. **The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting if the action is taken by all members of the Board. The action shall be evidenced by one or more written consents signed by each director describing the action taken, which are to be included in the minutes or filed with the corporate records. Such consents may be in electronic form and delivered by electronic means. Any action so approved shall have the same effect as though taken at a meeting of the directors.**”

5. Article V of the Bylaws is hereby amended by adding and inserting a new section in its entirety as follows:

“Section 7. Electronic Communications and Electronic Voting. The use of electronic transactions and transmissions by the Members or the Board is authorized in lieu of other forms of communication to the fullest extent allowed by North Carolina law, including without limitation, the Planned Community Act, Nonprofit Corporation Act and Article 40 of Chapter 66 of the North Carolina General Statutes. The Board may adopt a web-based or other electronic based method of voting which allows owners to cast votes electronically and may also adopt measures allowing for virtual meetings and participation therein. The Board, in its discretion, may require that meetings of the Members or Board be held virtually.”

6. Article V of the Bylaws is hereby amended by adding and inserting a new section in its entirety, as follows:

“Section 8. Participation in Meetings. Members of the Board or of any committee that the Board appoints may participate in a meeting of the Board or committee by conference telephone, video conference, or similar method of communication, provided all persons participating in the meeting can hear each other simultaneously. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.”

7. The subsection of Article VIII, Section 8 of the Bylaws regarding HOA Committees is deleted in its entirety and inserted in lieu thereof is a new Section 6 to read as follows (new language appears in **bold type**):

**“Section 8. (d) HOA Committees.** The Board of Directors may create one or more committees of the Board and appoint such committee members as are authorized in the Declaration or as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee member shall serve at the pleasure of the Board. Thereby the Board may dissolve any such committees at any time as deemed appropriate and remove any committee members at any time. If more than one owner or co-owner of a Lot and/or spouses or domestic partners are serving on the same committee at the same time, then such individuals may only cast one (1) combined vote during any committee meetings or the conducting committee business.

Each committee shall operate in accordance with the terms of such resolution, which pursuant to N.C.G.S. § 55A-8-25(e), shall include that a committee of the Board shall not (1) authorize distributions of Association funds; (2) recommend to members or approve dissolution, merger or the sale, pledge or transfer of any or substantially all of the corporation’s assets; (3) elect, appoint or remove directors, or fill vacancies on the board of directors or on any of its committees; (4) adopt, amend, or repeal the articles of incorporation or bylaws. Nor shall the committees have the authority to speak or take actions on behalf of the Board or bind the Association financially or contractually, unless authorized by the Board of Directors in advance of such action. Any person serving on a committee or other position

must be fully in compliance with all requirements of the Declaration to include financial assessments and other responsibilities.

Such committees shall include, but are not limited to, an Architectural Review Committee. The Architectural Review Committee (ARC) is authorized and empowered to consider and review any and all aspects of the construction of any improvements on a lot which may, in the reasonable opinion of the ARC and in accordance with the covenants, adversely affect the living enjoyment of one or more owners of the general value of the property or project. The ARC has a specific, nonexclusive right (but not obligation) to enforce the provisions contained in the covenants and/or to prevent any violation of the provisions contained in the covenants by a proceeding, through Board action, at law or in equity against the person or persons violating or attempting to violate any such provisions."

Except as herein provided, the provisions of the Bylaws are hereby ratified and confirmed in every respect.

IN WITNESS WHEREOF, the undersigned certifies that the foregoing amendments to the Bylaws were approved on December 15, 2022, by a vote of a majority of Members represented at a duly called meeting at which a quorum was present.

Kathy Kowis  
President Kathy Kowis  
12/15/22  
Date

### CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting secretary of the Colvard Farms Homeowners Association, Inc.; that the foregoing amendments to the Bylaws were adopted a vote of a majority of Members present in person or by proxy at a meeting at a duly called meeting at which a quorum was present; and that the foregoing signature is the signature of the President of the Association.

This 15 day of December, 2022.

Meredith S. Tignor  
Secretary