

BYLAWS OF QUAIL HOLLOW HOMEOWNERS ASSOCIATION, INC.

ARTICLE I **Name of Corporation**

The name of the corporation is QUAIL HOLLOW HOME-OWNERS ASSOCIATION, INC. (hereinafter referred to as the "Corporation").

ARTICLE II **Offices**

The principal office of the Corporation in North Carolina shall be located in Mecklenburg County. The Corporation may have such other offices, either within or without the State of North Carolina, as the directors may from time to time determine.

The Corporation shall have and continuously maintain in North Carolina a registered office and a registered agent whose office is identical with such registered office, as required by the North Carolina Non-Profit Corporation Act. The address of the registered office and the registered agent may be changed from time to time by the directors. The registered office may be, but need not be, identical with the principal office of the corporation in North Carolina.

ARTICLE III **Members**

Section 1. Membership in the Corporation.

The members of the Corporation shall be every owner of a Lot, Living Unit or Multi-family Structure (as such terms are defined in the Declaration hereinafter described) of the property (hereinafter referred to as the "Property") subject to the provisions of a Declaration made by Donald J. Scholz & Co. (hereinafter referred to as the "Developer") dated 1971 and recorded in the Office of Deeds of Mecklenburg County, in Book , Page ; provided, however, that any person or entity who holds title merely as security for the performance of an obligation shall not be a member of the Corporation.

The Board of Directors of the Corporation may suspend any person from membership in the Corporation during any period of time when such person is in default of any of his obligations under the Declaration (including, without

limitation, the failure to pay any assessment), provided that such default has continued uncured for a period of ten (10) days after written notice thereof to such member.

Section 2. Membership Classes. There shall be the following three classes of voting membership in the Corporation:

- a. The Class A members shall be all Owners of Lots and Living Units (with the exception of the Developer and Owners of Multi-family Structures), and shall be entitled to one vote for each such Lot or Living Unit owned. When more than one person holds an interest in any Lot or Living Unit, all persons shall be members. The votes for such Lot shall be exercised by such persons as they themselves determine, but in no event shall more than one vote be allowed with respect to any such Lot or Living Unit.
- b. The Class B members shall be the Owners of Multifamily Structures, and each Owner shall be entitled to one vote for each Living Unit in a Multifamily Structure so owned. If a Multi-family Structure has been submitted to the con-dominium form of ownership pursuant to the North Carolina Unit Ownership Act (Chapter 47A of the General Statutes of North Carolina), the owner of such condominium Living Unit in such Multifamily Structure shall be a Class A member and there shall be no Class B member with respect to such Multifamily Structure.
- c. The Class C member shall be the Developer, and shall be entitled to a total number of votes equal to the total number of votes of all Class A members and Class B members plus one, so that the Developer will have a number of votes equal to a majority of the total votes of all members of the Association. The Class C membership shall cease and terminate at such time that the Developer owns no Lot, Living Unit or Multifamily Structure in the Property.

Section 3. Voting Rights in the Corporation.

The members of the Corporation shall have the right to vote for the election and removal of directors and upon such other matters with respect to which a vote of members is required under the Declaration or under the provisions of Chapter 55A of the General Statutes of North Carolina.

ARTICLE IV **Meetings of Members**

Section 1. Annual Meeting. The annual meeting of the members shall be held on June 1st of each year commencing with June 1, 1971. Such annual meetings shall be held for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the date fixed for the annual meeting shall be a legal holiday in the place where the meeting is to be held, such meeting shall be held on the next succeeding business day.

Section 2. Special Meetings. Special meetings of the members may be called by the President, the Board of Directors or members of the Corporation holding not less than one-fifth of the votes.

Section 3. Place of Meeting. The Board of Directors may designate any location within Mecklenburg County, North Carolina, as the place for any annual meeting or special meeting called by the Board of Directors, and the President may designate any location as the place for any special meeting called by him. If no designation is made or if a special meeting is called by the members of the Corporation, the place of meeting shall be the principal office of the Corporation.

Section 4. Notice of Meetings. Written notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed or delivered not less than (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary or the person calling the meeting, to each member of the Corporation at his address as shown on the records of the Corporation. A member may, in a writing signed by him, waive notice of any meeting before or after the date of the meeting stated therein.

Section 5. Informal Action by Members. Any action required or permitted by law to be taken at a meeting of the members of the Corporation may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the members of the Corporation, which consent shall be filed with the Secretary of the Corporation as part of the corporate records.

Section 6. Quorum and Manner of Acting. Members or proxies constituting one-tenth (1/10) of the total votes of each class of membership shall constitute a quorum at any meeting unless provided otherwise in the Declaration. The act of a majority of each class of membership present at a meeting at which a quorum is present shall be the act of the members, unless the act of a greater number is required by law, the Articles of Incorporation, these Bylaws or by the Declaration.

Section 7. Conduct of Meetings. The directors may make such regulations as they deem advisable for any meeting of the members, including proof of membership in the Corporation, evidence of the right to vote and the appointment and dues of inspectors of votes. Such regulations shall be binding upon the Corporation and its members.

ARTICLE V **Directors**

Section 1. General Powers. The affairs of the Corporation shall be managed by its directors.

Section 2. Number and Tenure. The number of directors shall be nine, and a change in the number of directors shall be made only by amendment to the Article of Incorporation. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years. At each annual meeting thereafter the members shall elect three directors for a term of three years. Any vacancy occurring in the initial or any sub-sequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, or by a sole remaining director and, if not previously so filled, shall be filled at the next succeeding meeting of the members of the Corporation. Any director elected to fill a vacancy shall serve as such until the expiration of the term of the director whose position he was elected to fill. Election of directors may be conducted by mail ballot if the Board of Directors so determines.

Section 3. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice at such time and place as may be fixed from time to time by resolution of the Board of Directors. If the date fixed for the regular monthly meeting shall be a legal holiday in the place where the meeting is to be held, such meeting shall be held on the next succeeding business day. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the re-quest of the President or any two directors by giving notice thereof as provided in Section 5 of this Article V. Such persons calling a special meeting of the Board of Directors may fix any location as the place for holding such special meeting.

Section 5. Notice. When notice of any meeting of the Board of Directors is required, such notice shall be given at least three days previous to such meeting by written notice delivered Personally or sent by mail to each director at his address as shown on the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited prepaid in the United States mail in a sealed envelope properly addressed. Any director may waive notice of any meeting before or after the time of the meeting stated therein and attendance of a director at any 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. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, the Articles of Incorporation, these Bylaws or the Declaration.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting without further notice.

Section 7. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors any director may be reimbursed for his actual expenses incurred in the performance of his duties as director but nothing here-in contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefore.

Section 9. Informal Action by Directors. Any action required or permitted by law to be taken at a meeting of directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by a majority of the directors, which consent shall be filed with the Secretary of the Corporation as part of the corporate records.

Section 10. Removal of Directors. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the members of the Corporation. The vacancy thus created by such a removal shall be filled as provided in Section 2 of this Article V.

ARTICLE VI

Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

- a. adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- b. suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Corporation. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- c. exercise for the Corporation all powers, duties and authority vested in or delegated to the Corporation and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration; and
- d. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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 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 one-fourth (1/4) of the Class A and Class B members who are entitled to vote;
- b. supervise all officers, agents and employees of the Corporation, and to see that their duties are properly performed;
- c. as more fully provided in the Declaration, to:
 1. fix the amount of the monthly assessment against each Lot or Living Unit at least sixty (60) days in advance of each monthly assessment period;
 2. send written notice of each special assessment to every owner subject thereto at least sixty (60) days in advance of such special assessment; and
 3. foreclose the lien against any property for which assessments are not paid with-in thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same.
- d. 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 reason-able 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;
- e. procure and maintain adequate liability and hazard insurance on property owned by the Corporation;
- f. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- g. cause the Common Areas to be maintained;
- h. cause the exterior of dwellings on Lots and Parcels (as such term is defined in the Declaration) to be maintained.

ARTICLE VII

Officers

Section 1 Officers. The officers of the Corporation shall be a President, one or more vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or -ore offices may be held by the same person, excepting the offices of President and Secretary. The President and Vice President shall be directors of the Corporation. Other officers may be, but need not be, directors of the Corporation.

Section 2. Election, Term of Office and Vacancies. The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the members as herein set

forth in Article IV. A vacancy in any office arising because of death, resignation, removal, or other-wise may be filled by the Board of Directors for the un-expired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served there-by.

Section 4. Powers and Duties. The officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by-the Board of Directors, except as otherwise determined by the Board of Directors. The President shall be chief executive officer of the Corporation.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the 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.

ARTICLE VIII **Committees**

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Corporation; provided, however, that no such committee shall have the authority of the Board of Directors as to the following matters: (a) the dissolution, merger or consolidation of the Corporation; the amendment of the Articles of Incorporation of the Corporation; or the sale, lease or exchange of all or substantially all of the property of the Corporation; (b) the designation of any such committee or the filling of vacancies in the Board of Directors or in any such committee; (c) the amendment or repeal of these By-Laws or the adoption of new By-Laws; and (d) the amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.

Section 2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Corporation may be designated by a resolution adopted by a majority of directors present at a meeting of which a quorum is present. Such committees shall perform such duties and have such powers as may be provided in the resolution.

Section 3. Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE IX **Certificates of Membership**

The Board of Directors may provide for the issuance of certificates evidencing membership in the Corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and shall be sealed with the seal of the Corporation. All certificates evidencing membership shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board of Directors may determine.

ARTICLE X **Books and Records**

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

ARTICLE XI **Proxies**

Section 1. Each member may vote in person or by proxy at all meetings of the Corporation.

Section 2. All proxies shall be executed in writing by the member or by his duly authorized attorney-in-fact and filed with the Secretary. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date and no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Any proxy shall automatically cease upon sale by the member of his Lot or Living Unit.

ARTICLE XII **Construction**

In the event of a conflict between the Declaration and the Articles of Incorporation or the Bylaws, the Declaration shall control; and in the case of any conflict between the Articles of Incorporation and the Bylaws that the Declaration does not resolve, the Articles of Incorporation shall control.

ARTICLE XIII
Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Corporation annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent.