

**BYLAWS
OF

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is, Austin Downs Home Owners Association, hereinafter referred to as the "Association."

**ARTICLE II
DEFINITIONS**

Section 1. "Association" shall mean and refer to, Austin Downs Home Owners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions for Austin Downs, Austin Downs phase II, Austin Downs phase III and Austin Downs phase IV, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Lot" shall mean and refer to any separately numbered plot of land shown upon any recorded subdivision map of the Properties.

Section 4. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, but excluding those having such interest as security for the performance of an obligation.

Section 5. "Declaration" shall mean and refer to any Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the Office of the Register of Deeds of Guilford County, North Carolina in Deed Book 117,122,131,141, at Page 101,19,43,68. Except as otherwise herein defined, the capitalized terms used herein shall have the meaning set forth in the Declaration.

Section 6. "Member" shall mean and refer to those persons or entities entitled to membership with voting rights as provided in the Declaration and in Article III of these Bylaws.

**ARTICLE III
MEMBERSHIP AND PROPERTY RIGHTS**

Section 1. Membership. All Owners shall be Members of the Association. The voting rights of the Members shall be as provided by the Declaration.

Section 2. Multiple Owners. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determine, but in no event may the votes allocated to that Lot be split on any issue to be voted upon. The President of the Association shall have the authority to require that such multiple Owners of a Lot file a voting certificate with the Secretary of the Association, signed by all of the Owners, designating the person entitled to cast the vote for such Lot. Such certificate shall be valid until revoked by a subsequent certificate. If such certificate is not filed when required, the vote of such Owners shall not be considered in determining the requirements for a quorum or for any other purpose.

If a voting certificate is not required by the President, then if only one of the multiple Owners of a Lot is present at a meeting, the Owner who is present shall be entitled to cast all the votes allocated to that Lot. If more than one of the multiple Owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple Owners, but the votes allocated to that Lot may not be split on any issue to be voted upon. A majority agreement shall be conclusively presumed if any one of the multiple Owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the owner Owners of the Lot.

Section 3. Rules and regulations adopted by the board pursuant to article viii sect.1f may be reversed by a 2/3 vote of the membership present and voting.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. Annual Meetings . The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held at such time and place as the Board of Directors may prescribe.

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 in the Association.

Section 3. 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, by hand-delivery or by United States mail, postage prepaid, to the Member's postal mailing address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. In addition, the Association may give notice of a meeting by electronic mail over the Internet to an electronic mailing address designated in writing by the Member. If the notice is hand-delivered, emailed or mailed by first class, registered or certified mail, the notice must be given at least ten (10) days in advance of the meeting. If the notice is mailed by some means other than first class, registered or certified, the notice must be given at least fifteen (15) days in advance of the meeting. No notice may be given more than sixty (60) days in advance of the meeting. Such notice shall specify the place, day and hour of the meeting, the purpose of the meeting (in the case of a special meeting), and any other matters required by law. Waiver by a Member in written of the notice required herein, signed by him or her before or after such meeting, shall be equivalent to the giving of such notice.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-fourth (1/4) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at such meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All forms appointing proxies shall be in writing and filed with the secretary. Every proxy appointment shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot. A photocopy, telegram, cablegram, facsimile transmission, or equivalent reproduction of a writing appointed one or more proxies, shall be deemed a valid appointment form. In addition, a Member may appoint one or more proxies (a) by an electronic mail message or other form of electronic, wire, or wireless communication that provides a written statement appearing to have been sent by the Member, or (b) by any kind of electronic or telephonic transmission, even if not accompanied by written communication, under circumstances or together with information from which the Association can reasonably assume that the appointment was made or authorized

by the Member. An appointment is void if not dated and remains valid for eleven (11) months unless a different period is expressly provided in the appointment form.

Section 6. Voting. No votes allocated to a Lot owned by the Association may be cast.

Section 7. Action By Written Ballot. Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter. A written ballot shall (a) set forth each proposed action, and (b) provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the same total number of votes were cast. All solicitations for votes by written ballot shall indicate the time by which a ballot shall be received by the Association in order to be counted. A written ballot shall not be revoked.

Section 8. Member's Duty to Notify of Mailing Address. Each Member shall have the affirmative obligation to notify the Association of the Member's current mailing address, if different from the address of the Member's Lot. The Association may prescribe the specific manner in which such notice must be given, but in any event, such notice must be in writing, must be in the form of a letter or memorandum specifically stating that the Member's mailing address is different from the Lot address, and if the Association has hired a professional property manager, such notice must be given to the property manager. An address contained on envelopes or checks shall not constitute notice to the Association of a mailing address change. The Member shall have the duty to confirm that the Association has received notice of the Member's current mailing address. If the Association determines that it does not have a current mailing address for a Member, the Association shall be entitled to rely on the most recent records of the county tax collector to determine the mailing address of the Member.

ARTICLE V BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors who must be Members of the Association. . Board of Directors shall consist of at least five (5) persons and no more than seven (7) persons

Section 2. Term of Office. The term of office shall be one (1) year. the members shall select the board members at the annual meeting.

Section 3. Removal of Other Directors. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association present at a meeting called for that purpose. In addition, the Board of Directors may declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board of Directors. In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining members of the Board, and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 5. 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 a meeting of the directors. If

permitted by law, a director's consent to action taken without meeting may be in electronic form and delivered by electronic means.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination and Election of Directors. Nomination and election of the Board of Directors shall be conducted as provided in this Section.

(a) Nomination for election to the Board of Directors shall be made from the floor at the annual meeting. .

(b) Election to the Board of Directors shall be by secret written ballot unless otherwise approved by a majority vote of those Members present in person and by proxy at such meeting. An election by a means other than by secret written ballot shall not invalidate the results of any election unless a Member present in person or by proxy at such meeting objects prior to the conclusion of the vote. At such election the Members or their proxies may cast, in respect to each vacancies 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.

Section 2. Publication of Names and Addresses of Board Members. Within thirty (30) days following election of any person to the Board of Directors, the Association shall publish the name and address of each such newly elected board member.

ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place and with such notice as shall be determined by resolution of a majority of the Directors. If requested, the Board of Directors shall provide an opportunity for Members to attend a portion of a meeting of the Board of Directors to speak to the Board about issues and concerns. The Board may place reasonable restrictions on the number of persons who speak on each side of an issue and may place reasonable time restrictions on persons who speak.

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.

Section 3. 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.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment, dues or charge levied by the Association. 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;

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

(c) contract for the benefit of the Property and to delegate to such contractors all of the powers and duties of the Association, except those which may be required by the Declaration to have approval of the Board of Directors or membership of the Association

(d) employ attorneys to represent the Association when deemed necessary.

(e) establish an initiation fee to be assessed against each new Owner who acquires title to a Lot in order to defray certain administrative costs, including for example only, providing copies of the bylaws, declaration, rules and regulations, budget, assessment schedule, and other pertinent information.

(f) by amendment of these bylaws establish rules and regulations governing the Property and the conduct of Owners and their guests, lessees and other agents on the Property.

(g) by amendment of these bylaws establish penalties for the infraction thereof.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the Members, or any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period (provided, however, that failure of any Owner to receive such notice shall in no way affect the obligation of such Owner to pay annual assessments); and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after 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 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;

(e) procure and maintain insurance covering the Association, its directors, officers, agents and employees and procure and maintain adequate hazard insurance on the real and personal property owned by the Association in such amounts and covering such risks as the Board of Directors determines in its reasonable discretion;

- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) perform such services as set out in the Declaration.

ARTICLE IX
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and one vice-president, who shall at all times be members of the board of directors, a secretary, and a treasurer, and such other officers as the board may from time to time by resolution create, including additional vice-presidents who must be members of the board of directors.

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. Within thirty (30) days following election of any officer, the Association shall publish the name and address of each such newly officer.

Section 3. Term; Compensation. The officers of this Association shall be elected annually by the board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve. No officer or director shall receive compensation for services rendered in such capacity to the Association; provided, however that an officer or director may be reimbursed for actual expenses incurred in the performance of such duties.

Section 4. Special Appointments. The board 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, the president or secretary. Such resignation shall take effect on the date or 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:

(a) **President.** 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 and shall co-sign all checks and promissory notes. Shall authorize all board communications

(b) **Vice-President.** The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

(c) **Secretary.** The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the board and of the Association together with their addresses, and shall perform such other duties as required by the board.

(d) Treasurer. 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 sign all checks and promissory notes of the Association; keep proper books of account; if ordered by the board, cause an annual audit of the Association books to be made by an independent certified public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members. The board of directors may delegate responsibilities of the treasurer to a professional property manager selected by the board of directors.

ARTICLE X COMMITTEES

The board of directors may appoint an Architectural Control Committee, as provided in the Declaration. In addition, the board of directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI BOOKS AND RECORDS

The books, records 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 the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association 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. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear maximum interest permitted by law from the date of delinquency, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, late fees, costs and reasonable attorney's fees of any such action shall be added to the amount of the assessments. In addition, or as an alternative to the charging of interest, the board of directors may, in its reasonable discretion, assess a late fee for assessments not timely paid. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of facilities or services provided by the Association or abandonment of his or her Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the assessments provided for herein.

ARTICLE XIII CORPORATE SEAL

The association shall have a seal in circular form having within its circumference the words: Austin Downs Home Owners Association

ARTICLE XIV AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by the vote of a majority of the quorum of Members present and entitled to vote 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; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the case of any conflict between the Articles and the Declaration, the Declaration shall control.

ARTICLE XV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of October and end on the 30th day of September of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVI
PROCEDURAL ORDER OF MEETINGS

Every meeting of the Board of Directors and every annual and special meeting of the Association shall be conducted in a manner which is procedurally fair. Board meetings need not strictly follow *Robert's Rules of Order*, unless a motion to follow such order is adopted at the meeting in question by a majority of those members entitled to vote who are present in person or by proxy at such meeting. Membership meetings shall be conducted in accordance with *Robert's Rules of Order*.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of _____, a North Carolina corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted at a meeting of the board of directors thereof, held on the _____ day of _____, 20____.

Secretary