

**BY-LAWS
OF
CORNWALLIS HILLS PROPERTY OWNERS' ASSOCIATION, INC.** (Amended 2014)

ARTICLE I. NAME AND LOCATION

SECTION 1.1: NAME. The name of the corporation is Cornwallis Hills Property Owners' Association, Inc., hereinafter referred to as the "Association".

SECTION 1.2: LOCATION. The principal office of the Association shall be located in Orange County, North Carolina. Meetings of members and directors may be held as such places within the State of North Carolina, County of Orange, as may be designated by the Board of Directors.

ARTICLE II. DEFINITIONS

SECTION 2.1: COMMON AREAS. "Common Areas" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

SECTION 2.2: LOT. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Areas.

SECTION 2.3: OWNER. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 2.4: DECLARATION. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Register of Deeds for Orange County, North Carolina.

SECTION 2.5: MEMBER. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III. MEETING OF MEMBERS

SECTION 3.1: ANNUAL MEETINGS. The regular annual meeting of the members shall be held on the first Thursday of November each year, at the hour of 7:15PM if the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

SECTION 3.2: NOTICE OF ANNUAL AND SPECIAL MEETINGS. Written notice of each annual or special meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or by email if specifically requested by lot owner, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

SECTION 3.3: QUORUM. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

SECTION 3.4: 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 Lot.

ARTICLE IV. BOARD OF DIRECTORS

SECTION 4.1: NUMBER. The affairs of this Association shall be managed by a Board of seven (7) directors, who need not be members of the Association.

SECTION 4.2: TERM OF OFFICE. Each director will serve a two (2) year term beginning January 1 following the election.

SECTION 4.3: REMOVAL. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

SECTION 4.4: COMPENSATION. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

SECTION 4.5: 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 either: 1) the written approval of, or 2) an approval by reply to a soliciting email, by a majority of the directors within three (3) days of the solicitation. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS

SECTION 5.1: NOMINATION. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee will solicit, from the whole Association, for nominations, at least four (4) months prior to the election. 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. Such nominations may be made from among members or non-members.

SECTION 5.2: ELECTION. Election to the Board of Directors shall be by secret written ballot or by email. 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. Members who vote by email must submit their vote to the secretary at least four (4) hours (3:15 pm) prior to the start of the annual meeting. The vote must include the following information: 1) a verifiable email address, 2) the name of the lot owner, 3) the address of the lot that is represented, 4) phone number where the member can be reached for verification.

ARTICLE VI. MEETING OF DIRECTORS

SECTION 6.1: REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held monthly with notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 6.2: 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 6.3: 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 VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 7.1: POWERS. The Board of Directors shall have power to:

7.1.1: 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.

7.1.2: 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 Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

7.1.3: Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

7.1.4: 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 regular meetings of the Board of Directors; and

7.1.5: employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

SECTION 7.2: DUTIES. It shall be the duty of the Board of Directors to:

7.2.1: 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 members who are entitled to vote.

7.2.2: Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

7.2.3: As more fully provided in the Declaration, to:

7.2.3.1: Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period.

7.2.3.2: Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period.

7.2.3.3: 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.

7.2.4: Issue, or 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.

7.2.5: Procure and maintain adequate liability and hazard insurance on property owned by the association.

7.2.6: Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

7.2.7: Cause the Common Areas to be maintained.

ARTICLE VIII. OFFICERS AND THEIR DUTIES

SECTION 8.1: ENUMERATION OF OFFICERS. The officers of this Association shall be a president and vice-president, who shall 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.

SECTION 8.2: 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 8.3: TERM. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve. No director can be elected president in his first term on the Board and a president may not hold the presidency for more than two (2) consecutive terms.

SECTION 8.4: SPECIAL APPOINTMENT. 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 8.5: RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of the receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 8.6: 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 replaces.

SECTION 8.7: MULTIPLE OFFICES. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to the Section 4 of this Article.

SECTION 8.8: DUTIES. The duties of the officers are as follows:

8.8.1: 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 instructions and shall co-sign all checks and promissory notes.

8.8.2: 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.

8.8.3: Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association; 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 members. The secretary shall keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board. The duties of the secretary may be delegated to a property manager as directed by the Board.

8.8.4: Treasurer. The treasurer and/or the Finance Committee shall oversee the responsibilities of the Property Manager with regard to financial matters including receiving and depositing in appropriate bank accounts all monies of the Association and disbursing such funds as directed by resolution of the Board of Directors; signing all checks and promissory notes of the Association; keeping proper books of account; conducting an overview of the financial records at least annually, in accordance with the financial review policies and procedures approved by the Board of Directors; and preparing an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and delivered to each of the members. The duties of the treasurer may be delegated to a property manager as directed by the Board.

ARTICLE IX. COMMITTEES.

SECTION 9.1: COMMITTEES. The Association shall appoint an Architectural Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors

shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X. BOOKS AND RECORDS

SECTION 10.1: 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 By-Laws 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 XI. ASSESSMENTS

SECTION 11.1: 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 interest from the date of delinquency a percentage rate not to exceed the maximum allowable by law, 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, costs and reasonable attorney's fees of any such action shall be added to the Amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of his lot.

ARTICLE XII. CORPORATE SEAL

SECTION 12.1: CORPORATE SEAL. The Association shall have a seal in circular form having within its circumference the words: Cornwallis Hills Property Owners' Association, Inc.

ARTICLE XIII. AMENDMENTS

SECTION 13.1: APPROVAL. These By-Laws 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. A quorum is defined in Article III, Section 3.3 above. For example, the votes of 13 property owners is needed to change the By-Laws if there are 240 members (1/10 of 240 is 24; this makes the quorum; 13 is a majority of the quorum).

SECTION 13.2: NOTICE. A copy of the proposed amendment(s) and notice of the meeting shall be mailed in accordance with Article III, Section 3.3 above to all members of the Association authorized to cast votes.

SECTION 13.3: EFFECTIVE DATE AND RECORDING. The amendment shall be effective on the date of approval by the required vote of the members of the Association and need not be recorded. If recorded, the amendment shall be recorded in the office of the recording officer for the county in which the Association is located.

ARTICLE XIV. MISCELLANEOUS

SECTION 14.1: CONFLICTS IN DOCUMENTS. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

SECTION 14.2: SEVERABILITY. The invalidity or unenforceability of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

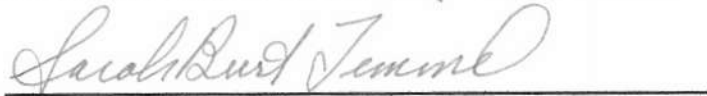
SECTION 14.3: WAIVER. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

SECTION 14.4: HEADINGS. The captions herein are inserted only as a matter of convenience and for reference and in no way limit or proscribe the scope of these By-Laws or the intent of any provision hereof.

SECTION 14.5: FISCAL YEAR. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting secretary of the Cornwallis Hills Property Owners' Association, Inc., a North Carolina nonprofit corporation, and that the foregoing By-Laws constitute the amended By-Laws of said Association, as duly adopted at a meeting of the members, held on the 6th day of November, 2014. In witness whereof, I have thereunto subscribed my name and affixed the seal of said Association this 6th day of November 2014.



Sarah Burt Timmel, Secretary,
Cornwallis Hills Property Owners' Association, Inc.

