

By-Laws

VERSION 9/23/10

Article V was updated to simplify the timing for selecting members of the Nominating Committee

BY-LAWS OF NORTH BEND TOWNHOUSE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I: NAME AND LOCATION

The name of the corporation is NORTH BEND TOWNHOUSE HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". **The principal office of the corporation shall be located at 5837 Mapleridge Road, Raleigh, North Carolina, but meetings of members and directors may be held at such places within the State of North Carolina, County of Wake, as may be designated by the Board of Directors.**

The above change was made by the 9/25/80 amendment, item 1.

That amendment had a typo in the NBTHA address, which has been corrected above.

ARTICLE II: DEFINITIONS

Section 1. "Association" shall mean and refer to North Bend Townhouse Homeowners Association, Inc., 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, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "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 Area.

Section 5. "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 6. "Declarant" shall mean and refer to Cedar Hill of Raleigh, Inc., its successors and assigns, if such successor or assigns should acquire more than one undeveloped Lot from the **Declarant** for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Wake County Register of Deeds.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III: MEETINGS

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 on the fourth Thursday of September of each year**

thereafter, at the hour of 7:00 o'clock p.m. 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.

The above change was made by the 9/25/80 amendment, item 2.

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 one-fourth (~~1/4~~) of all of the votes of the Class A membership.

A handwritten correction from "1/2" to "1/4" had been photocopied into the light green book.

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 mailing a copy of such notice, postage prepaid, at least 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 4. 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 each class 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 from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. If a properly executed ballot is delivered, e.g., by mail, to the NBTHA Office on time, that is considered a "vote in person", just as if the person had attended the election meeting to vote. A "proxy" is proper written authorization from the homeowner allowing some other person to vote for that homeowner. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance of the member of his Lot.

The second and third sentences of the above paragraph were added by the 9/25/08 amendment, item 2.

ARTICLE IV: BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be members of the Association.

Section 2. Term of Office. 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; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 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. 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 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.

ARTICLE V: NOMINATION AND ELECTION OF DIRECTORS

Section 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 new Board of Directors at the regular monthly Board meeting in October after each annual meeting of the homeowners and will serve thru the next annual meeting.** 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.

The above change was made by the 9/23/10 amendment.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. 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.

ARTICLE VI: MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice at such place and hour as shall 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 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 VII: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

1. adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
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;
3. 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 By-Laws, the Articles of Incorporation, or the Declaration;

4. declare the **term** of a member of the Board of Directors to be **ended** in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
5. **The above changes were made by the 9/25/08 amendment, item 3.**
6. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and
7. **regulate or prohibit the erection of television antennas on individual lots.**
8. **The above change was made by the 9/25/80 amendment, item 3.**
9. **determine, in good faith, the type and level of maintenance required under Article VII Section 2, Subparagraph (g), of the By-Laws and under Article VIII of the Declaration of Covenants, Conditions and Restrictions.**
10. **The above change was made by the 9/25/80 amendment, item 4.**

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

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 a one-fourth (1/4) of the Class A members who are entitled to vote;
2. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
3. 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; 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.
4. 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;
5. procure and maintain adequate liability and hazard insurance on property owned by the Association;
6. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
7. cause the Common Area to be maintained;
8. cause the exterior of the dwellings located on the properties to be maintained;
9. pay all ad valorem taxes and public assessments relating to the Common Area.
10. **spend funds in a "specially designated account" only for the purpose for which those funds were initially collected and designated. In the event any such funds in a "specially designated account" shall exceed the amount of funds necessary for the original designated purpose, the Board shall then be entitled to deposit any excess funds into the general reserve account for future capital expenses of the Association. For purposes of this paragraph, the term "specially designated account" shall mean and refer to a separate bank account, certificate of deposit or other identifiable deposit of funds, maintained separately from the Association's regular operating account and any general reserve account, which is funded with assessments, either regular or special, declared**

by the Board to be for a particular item of capital repair or replacement on the Property, either immediately or in the future.

11. The above change was made by the 11/2/98 amendment, item 1.

ARTICLE VIII: OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and 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.

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.

Section 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.

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 giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of 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 replaces.

Section 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 Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

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 instruments and shall co-sign all **promissory notes. The president, or an authorized representative, shall co-sign all checks.**
2. The above change was made by the 9/30/98 amendment, item 3.
3. **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.
4. **Secretary:** The secretary, **or an authorized representative,** 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 members; 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.
5. The above change was made by the 9/27/84 amendment, item 1.
6. **Treasurer:** The treasurer, **or an authorized representative,** 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; cause an annual auditor review of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

7. The first above change was made by the 9/27/84 amendment, item 2.
8. The second above change was made by the 9/30/98 amendment, item 2.

ARTICLE IX: COMMITTEES

The Association shall appoint an Architectural Control 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

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

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.

Assessments are due on the first of the month for the coming month. They will be considered late after the 15th day of the month and a late fee will be added as determined by the Board-approved Delinquent Account procedure. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his lot.

The above paragraph was changed by the 9/30/98 amendment, item 1.

That change was then completely replaced by the 10/19/01 amendment.

That change was then completely replaced by the 9/22/05 amendment.

That change was then completely replaced by the 9/27/07 amendment.

NOTE: The 9/22/05 amendment was originally recorded by the Wake County Register of Deeds on 3/29/06 (Book 11880, Page 2492). A significant typo was corrected, changing "by" to "to" (highlighted above), and the amendment was re-recorded on 5/30/06 (Book 11979, Page 1850).

ARTICLE XII: CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: North Bend Townhouse Homeowners Association, Inc.--1974.

ARTICLE XIII: AMENDMENTS

Section 1. These By-Laws may be amended, at a regular annual or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

The above change was made by the 9/25/08 amendment, item 4.

Section 2. 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.

ARTICLE XIV: MISCELLANEOUS

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

The above change was made by the 9/25/80 amendment, item 5.

ARTICLE XV: INSURANCE REQUIREMENTS AND DUTY TO REBUILD

Each owner of a lot upon which a residence has been constructed shall procure and maintain in effect fire and extended coverage insurance on said improvements in an amount equal to the full insurable value thereof. In the event of a fire or other casualty, said insurance proceeds shall, to the extent required, be utilized to restore or repair the destroyed premises, provided such restoration or repair is economically feasible.

The above change was made by the 9/30/98 amendment, item 4.

The last sentence of the paragraph was then removed by the 9/25/08 amendment, item 1.