

**REVISED BYLAWS
OF
BLACK HORSE RUN OF DURHAM HOMEOWNERS ASSOCIATION, INC.**

Article I. Name and Location

The name of the corporation is Black Horse Run of Durham Homeowners Association, Inc., hereinafter referred to as the "Association." The principal office of the Association shall be located as set forth in the Articles of Incorporation until changed with the North Carolina Secretary of State but meeting of the members and directors may be held at such places within the State of North Carolina as may be designated by the Board of Directors.

Article II. Definitions

Section 1. The terms "Association," "Properties," "Common Properties," "Lot," "Owner," and "Declarant" shall have the same meaning herein as they are defined in the Declaration.

Section 2. "Declaration" shall mean and refer to those recorded Declarations of Covenants, Conditions and Restrictions for Black Horse Run of Durham applicable to the Properties recorded in the Office of the Register of Deeds of Durham County in Real Estate Books 1308 at pages 901 and 907, 1312 at page 1 and 1314 at page 493.

Section 3. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and Articles of Incorporation for the Association.

Article III. Meeting and Members

Section 1. Annual Meetings: The first annual meeting of the members shall be held one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on such date as is

selected by the Board of Directors, provided that it falls annually and in the same month of every year thereafter.

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 (¼) of all the votes of the Class A membership.

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 notices, postage prepaid, at least ten (10) days but not more than forty (40) days before such meeting to each member entitled to vote, addressed to the member's address last appearing in the book of the Association, or supplied by such members 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, at least ten percent (10%) of the votes shall constitute a quorum for such action except as otherwise provided in 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. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revoked and shall automatically cease eleven (11) months from the executive thereof, or upon conveyance by the members of his/her lot or at the death of said member.

Section 6. Roberts Rules: Parliamentary procedures at both annual and special meetings of the membership shall be governed by Roberts Rules of Orders, as the same may from time to time be revised.

Section 7. Waiver of Notice: Any member may, at any time, waive notice of any meeting of the Association in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the

Association shall constitute a waiver of notice by him/her of the time and place thereof except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members are present at any meeting of the Association, no notice shall be required and any business may be transacted at such meeting.

Section 8. Informal Action: Any action which may be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary to be kept in the Association books.

Article IV. Board of Directors: Selection, Term of Office

Section 1. Number of Directors: The affairs of this Association shall be managed by a Board of at least three (3) Directors. The number of Directors can be expanded by the membership at the annual meeting to any odd number of Directors, but there shall never be less than three (3) Directors nor more than fifteen (15) Directors. As long as there is Class B membership as defined in the Declaration, one (1) of the Directors must be a representative of the Declarant.

Section 2. Term: The Directors shall hold a one (1) year term of office. Elections shall be held at annual meeting of the Association members and those persons who receive the highest number of votes shall be deemed to have been elected.

Section 3. Voting Control: Each Director shall have one (1) vote on the Board of Directors, provided, however, that as long as there is Class B membership as defined in the Declaration, the Declarant's representative to the Board of Directors shall be entitled to a number of votes equal to the total number of the Directors plus one, so that until the termination of Class B membership, the Declarant will have a number of votes which shall constitute a majority of the total votes of the Directors.

Section 4. 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/her successor shall be selected

by the remaining members of the Board and shall serve for the unexpired term of his/her predecessor.

Section 5. Compensation: No Director shall receive compensation for any service he/she may render to the Association. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 6. 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 Chairperson, who shall be a member of the Board of Directors, and two (2) 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 the next annual meeting. The Nominating Committee shall make as many nominations for election of the Board of Directors as it shall be in its discretion determine, but not less than the number of vacancies that are to be filled. Such nomination may be made from among members of non-members.

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 person receiving the largest number of votes shall be elected. Cumulative voting is not permitted, except to the extent of the special voting control of Class B membership as set forth in the Declaration.

Article VI. Meeting of Directors

Section 1. Regular Meeting: Regular meetings of the Board of Directors shall be held at least once each quarter without notice, at such places and hour as may be

fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then the 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 (2) 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 an act of the Board.

Section 4. Roberts Rules: Parliamentary procedure at both annual and special meetings of the Directors shall be governed by Roberts Rules of Orders, as the same may from time to time be revised.

Section 5. Waiver of Notice; Informal Action: The meetings and actions of the Board of Directors may, when applicable, be governed by the same rules regarding waiver of notice of meetings and informal action as are granted to unit owners in Article III above.

Article VII. Powers, Duties and Liabilities of the Board of Directors

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

- A. 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. Written notice of such rules and regulations shall be given to all owners and occupants, and the entire property shall at all times be maintained subject to such rules and regulations;
- B. Exercise of the Association of powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws or the Declaration;
- C. Declare the offices 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;

- D. Employ and/or dismiss a manager, an independent contractor, or such other employees as they may deem necessary, and to prescribe their duties.
- E. Open bank accounts on behalf of the Association and designate the signatories required therefore;
- F. Sell, lease, or mortgage any Lot acquired by the Association subject to the Declaration and other applicable restrictions;
- G. Enter any structure on any Lot within the Property in the event of an emergency;
- H. Make repairs, additions and improvements to or alterations of the Association property as repairs to and restoration of the said property in accordance with the other provisions of the By-Laws and the Declaration, after damage or destruction by casualty, or as a result of condemnation or eminent domain proceedings.

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

- A. Operate, care for, and maintain the common areas and facilities;
- B. Determine the common expenses required for the affairs of the Association, including, without limitation, the operation and maintenance of the property;
- C. 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 meetings of the members, or at any special meeting when such statement is requested in writing by one-fourth ($\frac{1}{4}$) of the Class A members who are entitled to vote.
- D. Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- E. As more fully provided in the Declaration, to:
 - (i) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (ii) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(iii) Foreclose the lien against any property for which assessments are not paid without thirty (30) days after due dates or to begin an action at law against the owner personally obligated to pay the same.

F. 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;

G. Procure and maintain adequate liability and hazard insurance on property owned by the Association.

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

Section 3. Indemnity of Directors: The Association shall indemnify its Directors from personal liability which may arise from the faithful performance of their duties as Directors, to the full extent permitted by Chapter 55A of the North Carolina General Statutes, as the same may from time to time be amended, and shall be authorized to secure liability insurance to cover this indemnity.

Article VIII. Officers and Their Duties

Section 1. Enumeration of Officers: 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. One person may hold more than one office, at the pleasure of the Directors.

Section 2. Election of Officers: The election of officers shall take place at the meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term: The Officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she 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 or 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 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/she replaces.

Section 7. Duties: The duties of the Officers are as follows:

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.

Vice President: The Vice President shall act in the place and stead of the President in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board.

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 members; keep appropriate current records listing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

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; and shall prepare an annual budget and a 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.

Article IX. 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, 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 X. 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 at a rate of eight percent (8%) per annum (or at whatever higher rate of interest may be permitted 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 waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his/her Lot.

Article XI. Corporate Seal

The Associate may have a seal in circular form having within its circumference the words: BLACK HORSE RUN OF DURHAM HOMEOWNERS ASSOCIATION, INC.

Article XII. Amendments

Section 1. By-Laws Amendments: These By-Laws may be amended at any regular or special meeting (for which Notice of the By-Laws change has been given) of the Board of Directors or of the membership by a unanimous vote of the Directors or the vote of a majority or a quorum of members present at the membership meeting in person or by proxy. Any By-Laws adopted by the Membership can only be amended by the Membership. It is understood and agreed that these By-Laws supersede and replace a previous set of By-Laws adopted at the organizational meeting of the Directors on October 13, 1986.

Section 2. Conflict: In 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 XIII. 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, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of the BLACK HORSE RUN OF DURHAM HOMEOWNERS ASSOCIATION, INC., have hereto set our hands and seals to these By-Laws, consisting of this and the preceding ten (10) typewritten pages, this _____ day of _____, 2002.

BY-LAWS OF THE BLACK HORSE RUN OF DURHAM HOMEOWNERS ASSOCIATION, INC.

_____(Seal)
B.D. Coyle, President

_____(Seal)
D.H. Steiner, Secretary

_____(Seal)
S. David Dobbs, Vice President

_____(Seal)
J.D. Stuck, Director

_____(Seal)
Alex Rota, Director

_____(Seal)
Lana Reynolds, Director