

BY-LAWS

OF

QUAIL VIEW HOME OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Quail View Home Owners Association, hereinafter referred to as the "Association." Meetings of members and directors may be held at such places within Mecklenburg County, North Carolina, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Quail View Home Owners Association, its successors and assignees.

Section 2. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, applicable to the Properties, recorded or to be recorded in the Office of the Register of Deeds of Mecklenburg County.

Section 3. "Properties" shall mean and refer to that certain real property described in Article III of the Articles of Incorporation.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, shown upon any recorded subdivision map of the Properties with the exception of (1) any Common Area or Common Open Space shown on any recorded map, (2) land reserved and designated for commercial use, and (3) land reserved and designated for exclusive common use of the Owners and single-family attached cluster homes and townhouses for sale, or the occupants of multi-family apartment buildings or any combination of said Owners. In the event any lot is increased or decreased in size by resubdivision, the same shall nevertheless be and remain a lot for the purposes of this Declaration. Land reserved and designated for the construction of a multi-family apartment building thereon likewise shall be deemed a lot within the meaning of this Declaration, and if any subdivision or resubdivision of that area shall be effected by conveyance (including conveyance by deed of trust) recordation of plat(s) or otherwise, each lot derived from each subdivision and each resubdivision shall be a lot if the same shall be of sufficient size and otherwise qualified by this Declaration and by zoning ordinances to accommodate the construction of two or more private dwelling units thereon.

Section 6. "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 7. "Member" shall mean and refer to every person who holds membership in the Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot shall be a member of the Association.

Section 2. Members who have paid dues shall have voting rights in the Association. There shall be two classes of Lots with respect to voting rights:

(a) Class A Lots. Class A Lots shall be all Lots on which a house has been constructed and is the primary residence of the Lot owner of record.

(1) Single-Family Detached Homes. Each Lot designated as a Class A Lot on which a single-family detached home is located shall entitle the owner(s) of said Lot to one (1) vote.

(2) When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine. The votes appurtenant to any one Lot shall be limited as provided in (1) and (2) and above regardless of the number of persons owning an interest in such.

(b) Class B Lots. Class B Lots shall be all Lots owned but not occupied as the primary residence of the owner of record.

(1) Each Class B Lot owner who has paid dues shall be entitled to one vote. If more than one Class B Lot is owned by an individual or entity, that individual or entity is entitled to only one vote.

Section 3. Dues for the Association are due to the Treasurer of Quail View Home Owners Association January 31 of each year. A 10% or \$10, whichever is greater, late charge will be assessed if dues are paid after January 31. A member not current with dues will not be entitled to any voting rights of the Association, nor can a member hold any office in the Association who has not paid membership dues.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area and to limit the use of said recreational facilities as the Association determines;
- (b) the right of the Association to suspend the voting rights and enjoyment rights of an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the voting members. No such dedication or transfer shall be effective unless members entitled to not less than three-fourths (3/4) of the votes appurtenant to each Class A and Class B Lot agree to such dedication or transfer and signify their agreement by a signed and recorded written document.

Section 2. Delegation of Use.

- (a) Family. The right and easement of enjoyment granted to every owner in Section 1 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties as their principal residence in Mecklenburg County, North Carolina.
- (b) Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be delegated by the Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence, as their principal residence in Mecklenburg County, North Carolina.
- (c) Guests. Recreational facilities situated upon the Properties may be utilized by guests of Owners, tenants or contract purchasers subject to rules and regulations of the Association as may be established by the Board of Directors, governing said use.

ARTICLE V

MEETING 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 in February of each year. The day and time shall be designated by the Board of Directors. 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 2. Special Meetings. Special meetings of the members may be called at any time by the Board of Directors, or upon written request of the voting members entitled to one-fourth (1/4) of the votes appurtenant to Class A Lots.

Section 3. Place of Meetings. All meetings of the members shall be held at such place within Mecklenburg County, North Carolina, as shall be determined by the Board of Directors of the Association.

Section 4. 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 providing a copy of such notice, not less than ten (10) days nor more than fifty (50) days before the date of the meeting, to each member entitled to vote thereat, 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. Waiver by a member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 5. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes appurtenant to each Class A and Class B Lot 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 of aforesaid shall be present or be represented.

Section 6. 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 Board of Directors. Each proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Section 7. Informal Action by Members. Any action which may be taken at a meeting of the members 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 of the Association to be kept in the Association minute book.

Section 8. No motion or proposal requiring a vote can be made from the floor at any Association meeting. Such motions or proposals requiring a vote shall be filed in writing with the Secretary of the Board of Directors at least seven (7) days before Association meetings.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by a Board of Directors.

Section 2. Number, Term and Qualification. The number of directors of the Association shall be nine. At the first annual meeting voting members shall elect directors to serve for a term of one year. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified. Directors shall elect a President, Vice-President, Secretary and Treasurer among themselves.

Section 3. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. 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 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 must be made from among Class A voting members prior to the annual meeting.

Section 4. Election. Except as provided in Section 6 of this Article, the directors shall be elected at the annual meeting of the members by written ballot. At such election the voting members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled under the provisions of Article III of these By-Laws. The nine persons receiving the highest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the voting members of the Association.

Section 6. Vacancies. A vacancy occurring in the Board of Directors may be filled by the selection by the remaining directors of a successor who shall serve for the unexpired term of his predecessor. The voting members may elect a director at any time to fill any vacancy not filled by the directors.

Section 7. Compensation. No director shall receive

compensation for any service he may render to the Association in the capacity of director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held with notice, at such day, 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 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, unless approved by all directors.

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.

Section 4. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5. President. The President of the Quail View Home Owners Association shall be Chairman of the Board of Directors and shall preside over all Board meetings. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors to serve until a new President is elected.

ARTICLE VIII

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 Area 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 Association pursuant to the provisions of the

Declaration. 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 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;

(d) 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;

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(f) employ attorneys to represent the Association when deemed necessary;

(g) grant easements for the installation and maintenance of sewerage, utilities or drainage facilities upon, over, under and across the Common Area without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Properties; and

(h) appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient.

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 members entitled to at least one-fourth (1/4) of the votes appurtenant to the voting members;

(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, fix the amount of the annual dues for membership at least thirty (30) days before January of each year and fix the annual fee for use of any recreational facilities operated by the Association;

(d) procure and maintain adequate liability insurance covering the Association and adequate hazard insurance on the real and personal property owned by the Association;

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(f) cause the Common Area and all facilities erected thereon to be maintained.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, Vice-President, Secretary, and Treasurer, who shall at all times 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 voting members.

Section 3. Term. The officers of this Association shall be elected annually to the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or be 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. 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:

PRESIDENT

(a) 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 check and promissory notes.

VICE-PRESIDENT

(b) 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.

SECRETARY

(c) 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 showing.

TREASURER

(d) 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; shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting.

ARTICLE X

COMMITTEES

The Board of Directors shall appoint an Architectural Review Committee, Recreational Committee 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. All committees will report to the Board of Directors.

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 voting member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available

for inspection by any voting member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Quail View Home Owners Association, Charlotte, North Carolina.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the voting members, by a vote of a majority of the voting members in person or by proxy.

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 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.

ARTICLE XV

RECREATIONAL FACILITIES

Section 1. Rules and regulations for the recreational facilities shall be created and administered by the Board of Directors.

Section 2. Expansion. Any expansion or addition to recreational facilities in the Common Area involving an expenditure over \$500 must be approved by a majority of the voting members. Expansions involving smaller expenditures can be approved by the Directors. Maintenance and replacement of existing facilities are not considered expansions or additions.

ARTICLE XVI

EXPENDITURES

Section 1. Expenditure of Home Owners' Dues. Any single expenditure of home owners' dues exceeding \$500 must have approval

by a majority of a quorum of the voting members at an Association meeting. Any expenditure over \$2500 must be approved by a majority of the voting members.

Section 2. Special Expenditures. Any expenditures made on behalf of a special group, such as a swim club and financially supported by that group must have approval by the Board of Directors of the Association if over \$500. Article XVI, Section 3 applies if any such expenditure requires funds to be borrowed by the Association. Article XV, Section 2 applies if the expenditure is for the expansion or addition to a recreational facility.

Section 3. Borrowing. Any borrowing of money must be approved by a majority of the voting members.