

**BYLAWS
OF
OLDE TOWNE VILLAGE ASSOCIATION, INC
December 10, 2012**

These Bylaws supersede the previous Bylaws in the Entirety

ARTICLE I

Definitions are the same as stated in the Declaration and Covenants, Conditions and Restrictions of the Olde Towne Village, Inc.

**ARTICLE II
ASSOCIATION**

Olde Towne Village Association, Inc. has been organized for the purpose of administrating the operation and management of a residential subdivision development for the use and benefit of the owners of lots in Olde Towne Village Subdivision located in Cumberland County, Fayetteville, North Carolina, which is more particularly described in the Declaration of Covenants, Conditions, and Restrictions. The provisions of these Bylaws are subject to the terms, provisions, conditions, and authorizations contained in the Articles of Incorporation (charter) of OldeTowne Village Association, Inc. and the Declaration. The terms, provisions, conditions and authorizations of the Charter and the Declaration are incorporated herein and shall be controlling whenever the same may be in conflict with these Bylaws. Certain provisions of NCGS, Chapter 47F North Carolina Planned Community Act **may** apply. If there is no conflict, or if provisions are not provided in the Charter or Declaration, those certain provisions of Chapter 47F **shall** apply. Further, the provisions of NCGS 55A North Carolina Nonprofit Corporation Act shall be used in establishing the Corporation and administration of the Bylaws. The current edition of Robert's Rules of Order shall be used and available at all meetings.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS OF OWNERS**

a. Membership Eligibility. Every lot owner shall be a mandatory member of the Association. (Referred to as "Member"). The forgoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership **shall** be appurtenant to and may not be separated from ownership of any lot which is subject to the Declaration and shall pass automatically to a Lot Owner's successor-in-interest to title of the lot.

b. Change of Membership. Change of membership **shall** be accomplished by recording a deed or other instrument evidencing the transfer of title to a lot in the Register's Office for Cumberland County,

North Carolina, and delivering a copy of such recorded instrument to the Secretary of the Association, whereupon, the membership of the prior Lot Owner shall terminate.

c. Suspension of Rights. If a member shall have failed to pay when due the Dues or charge lawfully imposed upon him or her pursuant to the Declaration, Charter or these Bylaws, or if the member, his or her family, guests, or tenants shall have violated any of the Covenants therein or herein contained, or in any rule or regulation of the Association, regarding the use of any property or conduct with respect thereto, then the Association shall provide a written notice to the Member by certified mail setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Member fails to remedy the violation, the Association may suspend the membership rights (including voting rights) of that member.

d. Membership Classes. As stated in the Declaration the Association shall have 2 classes of membership, Class A, sold lots, and Class C, declarant. Each deeded lot shall have 1 vote. The declarant (developer) shall have 3 votes until lots are deeded to others or used for "self-gain", such as rentals. Model/Sale homes shall retain 3 votes until no longer used as a Model/Sale homes; deeded or rented. Homes under construction must have final City of Fayetteville Inspection or be substantially completed prior to being eligible for 3 votes.

e. Proxies. Unless member lot owner is present, proxy ballots shall be required with respect to all elections of directors and all amendments to the Charter, the Declaration and these Bylaws upon which Members have a right to vote, or any other matter which is to come before a meeting of the Members of the Association. All proxies shall be in writing, signed by the individual lot owner or by his or her duly authorized representative, and delivered to the Secretary of the Association or such person as the President may designate at least twenty-four (24) hours prior to the commencement of the meeting at which ballots are to be cast. Every proxy shall be revocable and **shall** stay valid until revoked by the Member assigning the proxy, or until the deed is transferred; however, shall only be valid for fiscal year issued. The fiscal year of the Association is from January 1st thru December 31st. If proxy is for a specific vote only, proxy should so indicate. Proxy **shall** be on a sheet of 8 x 10 bond paper, written in permanent ink, suitable for filing by the Secretary. It is clear that improperly submitted proxies shall not be allowed to vote.

ARTICLE IV MEETING OF MEMBERS

a. Annual Meetings. The Annual Meeting of Members shall be held each year on the last Thursday in October at 7 PM. The location of meeting shall be determined by the Board of Directors.

b. Special Meeting. Special meetings of Members may be called by the President when he or she deems such a meeting advisable or shall be called by the Secretary when ordered by a majority of the Board of Directors or upon the written request of Members representing at least twenty percent (20%) of all votes entitled to be cast at such meeting. Such request shall be in writing and delivered to the

Secretary. Such request shall state reason of such meeting and list each member requesting the meeting and members telephone number. The President shall schedule a meeting immediately if an emergency. Routine meetings shall be scheduled as soon as possible, but not later than 15 days from receipt of notice. All members shall be notified by normal first class mail. If an emergency exists, for example, a storm disaster, time is of essence and each member may not be notified. During this time, the Board of Directors shall be in control and make their best decision for all the homeowners. Each homeowner shall be notified as soon as possible as to the course of action so taken by the Board of Directors. During a time of disaster, in no way **shall** the Board of Directors be held responsible to the consequences of natural disaster, severe weather, fire or other calamities; however, the Board Members shall do their utmost to provide help and support during a time of need.

c. Board of Directors Meetings. Location and time of meetings shall be designated by the Board. However, a minimum of one meeting each quarter shall be required. At the required meetings a minimum of the President or Vice President, 2 Directors, Secretary, and the Treasurer shall be present. (Treasurer may not be required to be in attendance if monetary items are not on the agenda and if the meeting is other than the minimum quarterly requirement).

d. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of the Secretary, or person 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 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 such meeting.

e. Quorum. The presence at the meeting of members entitled to cast or of proxies entitled to cast, one third (1/3) of the votes of each class, representing the full 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 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.

ARTICLE V BOARD OF DIRECTORS

a. Composition. The affairs of the association **shall** be managed by a Board of three (3) directors who are not required to be members of the Association. Directors shall be elected on staggered term of three (3) years; two (2) year and a one (1) year term; by receiving largest percentage of votes from members. Declarant may determine 1/3 of board members as long as declarant has 3 lots.

b. 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, he or her successor shall be elected by the remaining members of the Board and person so elected **shall** serve for the unexpired remaining term of predecessor.

c. Compensation. No Director shall receive any compensation for any service he or she may render to the Association. However, a Director may be reimbursed for actual expenses in performance of his or her responsibilities. Any reimbursements shall be nominal amounts and approved by the Board and duly recorded in the Books.

d. Indemnification. Each Director, Officer or Committee Member of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason or his or her being or having been a Director, Officer or Committee Member of the Association, and in connection with the settlement thereof, whether or not he or she is a Director, Officer or Committee Member at the time such expenses are incurred, except in such cases where he or she is adjudicated guilty of willful malfeasance or gross negligence in the performance of his or her duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The forgoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director, Officer, or Committee member may be entitled.

e. Excludability. Unless acting in bad faith, neither the Board of Directors as a body nor any Director, Officer or Committee Member of the Association, shall be personally liable to any Member in any respect for any action or lack of any action arising out of the execution of his or her office.

f. Powers and Duties. The Board shall exercise for the Association all powers, duties and authority vested herein by these Bylaws and/or the Declaration, except for such powers, duties and authority specifically reserved herein to the Members of the Association or the Declarant.

- (1) To elect the Officers of the Association as hereinafter provided.
- (2) To administer the affairs of the Association;
- (3) To appoint committees and to delegate to such committees the Boards' authority to carry out certain duties of the Board;
- (4) To estimate the amount of, prepare, adopt and distribute the budget for the general expenses of the Association no less frequently than annually, to provide for the manner of assessing, levying on and collecting from Members the annual and special Dues;
- (5) To cause to be kept a complete record of all 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; and to file federal income tax returns; (The Association is exempt from State Tax Return due to its charter as a non-profit corporation.)

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

(7) To enforce by legal means the provisions of these Bylaws and the Declaration with respect to the Property;

(8) To renew, extend or compromise debts owed to or by the Association;

(9) Unless otherwise provided herein, to comply with the instructions of a majority of the Members as expressed in a resolution duly adopted at any annual or special meeting of the Association;

(10) To adopt and publish Rules and Regulations governing the use of the Common Areas, and the conduct of Members and their guests thereon, and to establish penalties for infractions thereof. The Rules and Regulations shall have the same authority as the Bylaws, provided that said Rules and Regulations are not in contradiction with the Bylaws, Covenants or Articles of Incorporation. Rules and Regulations from time to time by the Board. Each member shall be provided a copy of Rules and Regulations along with Bylaws and promptly notified of any changes to the Rules and Regulations.

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

(12) To suspend voting rights of a Member during any period in which such member shall be in default under the provisions of the Declaration and these Bylaws in the payment of any Dues or other charges levied by the Association. Such rights may also be suspended after sixty (60) days for infraction of published Rules and Regulations; and

(13) To declare the office of the Director of the Board to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board;

(14) To declare the Board or its designated representative shall have such access as to each lot and home constructed thereon as is necessary in order to perform its duties and obligations; (The Board may engage such agents and representatives as it deems necessary to carry out its obligations).

(15) To engage the services of any agent (hereinafter referred to as the "Managing Agent") to maintain, repair, replace and administer the Common Areas and Homes or any part thereof listed in these Bylaws for all the Members, upon such terms and for such compensation as the Board may approve, including a Managing Agent which is or is not affiliated with one or more of the Directors, Developers, or Both;

(16) To obtain adequate and appropriate kinds of insurance as provided in these Bylaws;

(17) To engage or contract services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Areas, Owners and to delegate any such powers to a Managing Agent (and employee or agent of a Managing Agent);

(18) To develop budgets with respect to the Common Area Expenses, maintenance and replacements for Owners Lot and Townhouse, as authorized by the Bylaws, management costs, and Reserves for future major construction costs;

(19) To act in a representative capacity in relation to matters involving the Common Areas; and

(20) To adopt and publish Rules and Regulations governing the use of the Common Areas, and the conduct of Members and their guests thereon, and to establish penalties for infractions thereof;

g. Non-Delegation. Nothing in this article, these Bylaws, or the Declaration shall be construed to grant the Board, the Association or the Officers of the Association any powers or duties which, pursuant to the Declaration or Bylaws, have been specifically delegated or reserved for the members.

ARTICLE VI OFFICERS

a. Designation. The Officers of the Association shall be President, Vice-President, Secretary, and Treasurer, all whom shall be elected by the Board of Directors. The Board of Directors may also appoint such other officers as may be necessary, in its judgment, to manage the affairs of the Association. Any person may hold two or more positions, except the President shall not also be the Secretary or Treasurer.

b. Election of Officers. The Officers of the Association shall be elected annually by the Board of Directors following each annual meeting of the members. Each officer shall be elected by a majority vote of the Board of Officers.

c. Removal of Officers. Upon any affirmative vote of a majority of the Directors, Officers may be removed, either with or without cause and his or her successor elected at any regular meeting or the Board of Directors, or at any special meeting of the Board of Directors for that purpose.

d. Duties and Responsibilities of Officers. The duties and responsibilities of the Officers of the Association shall be as follows:

(1) 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.

(2) The Vice President shall preside at all meetings of the Board of Directors in the absence, inability, refusal to act by the President and shall exercise and discharge such other duties as may be required of him or her by the Board.

(3) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the Members; serve notice of meetings of the Board and the Members; keep appropriate current records showing the members of the Association together with their addresses; phone numbers and e-mail. Generally, shall prepare, distribute, follow-up and file all written and e-mail communications; establish files and maintain historical records of the Association. When and if the Association has a Web Site the Secretary shall see that the site is monitored and kept up to date for the Members. The Secretary may appoint an assistant/s, or the Board may form a Committee for this function and if the Board has room in the Budget, may allocate funds for a web site for members.

(4) The Treasurer shall receive and deposit in appropriate bank accounts of a recognized Federal Reserve Bank, 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 audit of the Association Books to be made by a Certified Public Accountant at the completion of each fiscal year; 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 to each of its Members.

ARTICLE VII COMMITTEES

a. Architectural Committee. This Committee is formed per provisions of Article IV of the Covenants. Generally, the declarant has the right to appoint members to this committee.

b. Nominating Committee. This Committee is responsible for providing a slate of nominations for the Director positions at the Annual Meeting.

c. Other Committees as desired by the Board of Directors.

ARTICLE VIII BOOKS AND RECORDS

The books, records, and papers of the Association, shall at all times, be available during reasonable business hours, and be subject to inspection by any member. The Articles of Incorporation, Declaration,

and Bylaws of the Association shall be available for inspection by any Member at the principle office of the Association, where copies may be purchased at a reasonable cost. The Declaration is recorded in the Cumberland County Court House, Fayetteville NC. The Articles of Incorporation may be downloaded from the Office of the North Carolina Secretary of State.

ARTICLE IX CONTRACTS, CHECKS AND DEPOSIT

a. Contracts. Prior to signing any contract, said contract **shall** be reviewed by a minimum of two Directors. This authority **shall not** be delegated and shall be approved by not less than a majority of the Directors.

b. Checks and Deposits. Accounts Receivable and Payable **shall be** reconciled as soon as possible after the 1st of the Month. All deposits shall be made on the 5th day of the Month, except for weekend or holiday; deposits **shall** be made the next banking day. Savings for reserves **shall** be maintained in savings/money market. By the 10th day of the current month all banking transactions **shall** be reconciled. The Treasurer and one other Board Member shall review the Books and those two (2) members should sign the bank statements certifying that the Books are balanced. Quarterly, the full Board Quorum **shall** review the Books and certify a Quarterly Profit and Loss Income Statement and Quarterly Balance Sheet. Each Member of the Meeting **shall** sign off on these documents. This information **shall** be used to compile the Annual Report to Members to be presented at the Annual Meeting.

ARTICLE X ASSESSMENTS

a. 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 (30) days after the due date the assessment shall bear interest from the date of delinquency at the rate of 8% per annum, and the Association may bring an action 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 assessment. No owner may waive or otherwise escape the amount of such assessments provided for herein by non-use of the Common Areas or abandonment of his or her lot.

b. Fines shall be per provisions of NCGS 47F-3-107-1. Procedures for fines and suspension of planned community privileges or services. The lot owner charged shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. If it is decided that a fine should be imposed, a fine not to exceed one hundred dollars (\$100.00) may be imposed for the violation

and without further hearing, for each day more than five (5) days after the decision that the violation occurs. Such fines shall be assessments secured by liens under NCGS 47f-3-16.

ARTICLE XI SEAL

The Association shall not have a seal.

ARTICLE XII FISCAL MANAGEMENT

a. Depository. The depository of the Association shall be a federally insured banking institution designated by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be by such persons authorized by the Board of Directors.

b. Annual Audit. An audit of the accounts of the Association shall be made annually, the cost of which shall be a General Accounting Expense, and a copy of the annual audit shall be furnished to each Member no later than April 1 of the year following the year for which the report is made.

c. Examination of Books and Records. The Board of Directors shall keep a book with a detailed account, in chronological order, of the receipts and expenditures affecting the Association and its administration and specifying the maintenance and repair expenses and any other expenses incurred. The book, the vouchers accrediting the entries made thereon, copies of the Charter, Declaration, these Bylaws, the Rules and Regulations and other books, records and financial statements of the Association shall be maintained at the principal office of the Association and shall be available for inspection by members during normal business hours or under any other reasonable circumstances.

d. Management Contracts. The Association may enter into professional management contracts or other agreements; provided, however, that each contract or other agreement shall contain a right of termination with or without cause that the Association can exercise at any time; such right to be exercised without penalty or advance notice of more than ninety (90) days.

e. Fidelity Bonds. The Association shall maintain a blanket fidelity bond for all persons who either handle or who are responsible for funds held or administered by the Association, whether or not they receive compensation for such services. Any Management Agent that handles funds for the Association shall also be covered by a fidelity bond.

f. Casualty Insurance. As provided in COVENANTS, ARTICLE VI – INSURANCE AND RECONSTRUCTION, Section 1. (a) The Association has elected to procure and maintain a special form, “walls in” all risks full replacement cost MASTER policy for the Common Areas and Each Lot owner, as

further described and allowed for by the Covenants. The special form policy shall insure all common areas and, presently 28 homeowner lots.

g. Liability Insurance. As provided in ARTICLE VI-INSURANCE AND RECONSTRUCTION, Section 1, (b) Liability insurance.

ARTICLE XIII RULES AND REGULATIONS

a. The Board of Directors shall, from time to time, publish written Rules and Regulations for the Association. These Rules and Regulations shall be an extension of these Bylaws to detail rules and regulations determined by the Board to be in best interest to the majority of homeowners.

b. Rules and Regulations shall be maintained current by the Board and published and furnished to each homeowner by the Association Secretary. Rules and Regulations shall be enforced by the Board of Directors as delegated to Committee Members. Homeowner landlords are responsible to the Association for the compliance with Rules and Regulations by their tenants and guests. The landlord shall receive any potential notice of violation and/or fine and the homeowner shall deal with the rental agent or their tenant. The Board of Directors is not chartered to deal with guests, tenants or rental managers. That is a homeowner responsibility.

ARTICLE XII AMENDMENTS

a. These Bylaws 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. In the case of any conflict between the Articles and Declaration and these Bylaws, the Declaration shall control.

Directors

1. Ronald W. Smith

2. Faye Smith

3. [Signature]

Officers of the Corporation

by, Ronald W. Smith President

by, Faye Smith Secretary

Date signed : December 10 , 2012