

BY-LAWS OF
LAUREL THICKET PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

OFFICES

- Section 1 Principal Office. The principal office of the Association shall be located at the home of the Secretary of the Association situated in Laurel Thicket, Carolina Trace, Sanford, North Carolina.
- Section 2 Registered Office. The registered office of the Association required by law to be maintained in the State of North Carolina shall be Staton, Gavin, Perkinson & West, Attorneys at Law, 205 Courtland Drive, Sanford, North Carolina.

ARTICLE II

MEMBERSHIP

- Section 1 Who are Members. Members include all present owners of lots, with or without dwellings, in the Laurel Thicket I, II or III Subdivision of Lee County, North Carolina.
- Section 2 Households. When property described in Article II, Section 1 above, shall be titled in more than one member's name, only one member shall be entitled to vote on any question put before the membership for a vote. When more than one member shall own property, the members shall agree among themselves which member shall cast their vote.

ARTICLE III

MEETINGS OF MEMBERS

- Section 1 Place of Meetings. All meetings of Members shall be held at the Carolina Trace Country Club, or at such other place as shall be designated in the notice of the meeting or agreed upon by a majority of the Members entitled to vote thereat.
- Section 2 Annual Meeting. The annual meeting of Members shall be held on the second Monday in October of each year for the purpose of electing directors of the Association and for the transaction of such other business as may be properly brought before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.
- Section 3 Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these by-laws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article III. A meeting so called shall be designated and treated for all purposes as the annual meeting.
- Section 4 Special Meetings. Special meetings of the Members may be called at any time by the President, Secretary or Board of Directors of the Association, or by any Member

pursuant to the written request of not less than one-tenth of all members entitled to vote at the meeting.

Section 5 Notice of Meetings. Written or printed notice stating the time and place of the meeting shall be delivered not less than ten or more than fifty days before the date of any meeting, either personally or by mail, by or at the direction of the President, the Secretary, or other person calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the record of members of the Association, with postage thereon prepaid.

In the case of a special meeting, the notice of the meeting shall specifically state the purpose or purposes for which the meeting is called; but, in the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 6 Voting Lists. At least ten days before each meeting of Members, the Secretary of the Association shall prepare an alphabetical list of Members, whose dues are paid to date, and are therefore entitled to vote at such meeting or any adjournment thereof, with the address of each, which list shall be kept on file at the home of the Treasurer, if in the Laurel Thickets, otherwise in the home of the President, for a period of ten days prior to such meeting, and shall be subject to inspection by any Member at any time during the usual business hours. This list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection by any member during the whole time of the meeting.

Section 7 Quorum. The number of Members attending any regularly called meeting of members, either in person or by proxy, even though less than a majority, shall constitute a quorum for the purpose of such meeting.

Section 8 Proxies. Members may vote either in person or by one or more agents authorized by written proxy executed by the Member or by his duly authorized attorney-in-fact. A proxy is not valid after the expiration of eleven months from the date of its execution, unless the person executing it specified therein the length of time for which it is to continue in force, or limits its use to a particular meeting, but no proxy shall be valid after ten years from the date of its execution.

Section 9 Voting of Members. Each Member entitled to vote shall be entitled to one vote per lot owned by such Member. Each Member may cast his vote or votes on each matter submitted to vote at a meeting of Members.

ARTICLE IV

BOARD OF DIRECTORS

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

- Section 2 Number, Term and Qualifications. The number of directors constituting the Board of Directors shall be no less than eight (8) nor more than eleven (11). At the first Annual Meeting following adoption of this By-Law, four (4) directors shall be elected for a term of one (1) year and the remainder for a term of two (2) years. Thereafter the term of directors shall be two (2) years. No director shall serve more than two consecutive terms.
The Chairman of the Architectural Committee shall be elected at the Annual Meeting for a term of two (2) years with no limitation on the number of terms he may serve. The Chairman of the Architectural Committee shall be an ex-officio member of the Board of Directors. The two (2) other members of the Architectural Committee shall be appointed annually by the President from the Board of Directors.
- Section 3 Election of Directors. Except as provided in Section 5 of Article IV, the directors shall be elected at the annual meeting of Members; and those persons who receive the highest number of votes shall be deemed to have been elected. The election of directors shall be by ballot.
- Section 4 Removal. Any director may be removed at any time with cause by a vote of the Members entitled to vote at an election of directors.
- Section 5 Vacancies. If a director no longer owns property in the Laurel Thickets, the term automatically expires and there is a vacancy. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, even though less than a quorum, or by the sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the authorized number of directors shall be filled only by election at an annual meeting or at a special meeting of Members called for that purpose.
- Section 6 Chairman of Board. The President of the Association shall serve as Chairman of the Board of Directors, and shall preside at all meetings of the Board.
- Section 7 Compensation. The Board of Directors shall not compensate directors for their services as such, but may provide for the reimbursement of any or all reasonable expenses incurred by directors.

ARTICLE V

MEETINGS OF DIRECTORS

- Section 1 Regular Meetings. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of Members. In addition, the Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings.
- Section 2 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors.
- Section 3 Notice of Meetings. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors shall, at least five days before the meeting, give notice thereof by any usual means of communication. Such notice must specify the purpose for which the meeting is called.
- Section 4 Waiver of Notice. Any director may waive notice of any meeting. The attendance by

a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5 Quorum. A majority of the number of directors fixed by these By-Laws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6 Manner of Acting. Except as otherwise provided in these By-Laws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 7 Presumption of Assent. A director of the Association who is present at a meeting of the Board of Directors at which action on any matter is taken, unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting, shall be presumed to have agreed with said action. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 8 Informal Action by Directors. Action taken by a unanimous Board of 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.

ARTICLE VI

OFFICERS

Section 1 Officers of the Association. The officers of the Association shall consist of a President, a Secretary, a Treasurer and such Vice-Presidents, Assistant Secretaries, Assistant Treasurers, and other officers as the Board of Directors may from time to time elect. No two or more offices may be held by the same person. A director, however, may also serve as an officer.

Section 2 Election and Term. The officers of the Association shall be elected by the Board of Directors and each officer shall hold office for one (1) year.

Section 3 Compensation of Officers. No officer shall be compensated for his services, but he may be reimbursed by the Board of Directors for any and all reasonable expenses incurred.

Section 4 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5 President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the Association. He shall sign, with the Secretary, an Assistant Secretary, or any other proper officer of the Association thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by

these by-laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed and executed; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6 Vice-Presidents. In the absence of the President or in the event of his death, inability or refusal to act, the Vice-Presidents in the order of their length of service as Vice-Presidents, unless otherwise determined by the Board of Directors, shall perform the duties of President, and when so acting, shall have all the powers of and be subject to all the restrictions imposed upon the President. Any Vice-President may sign, with the Secretary or an Assistant Secretary, corporate documents; and shall perform such other duties as from time to time may be assigned to him by the President or Board of Directors.

Section 7 Secretary. The Secretary shall: (a) keep the minutes of the meetings of Members, of the Board of Directors, and of all Executive Committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; (e) sign with the President, or a Vice-President, corporate documents; (f) keep or cause to be kept in the State of North Carolina at the Association's registered office or principal place of business a record of the Association's Members, giving the names and addresses of all Members, and prepare, or cause to be prepared, voting lists prior to each meeting of Members as required by law; and (g) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 8 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such depositories as shall be selected in accordance with the provisions of Section 3 of Article VII of these by-laws; (b) prepare, or cause to be prepared, a true statement of the Association's assets and liabilities at the close of each fiscal year, all in reasonable detail, which statement shall be made and filed at the Association's registered office or principal place of business in the State of North Carolina within four months after the end of such fiscal year, and thereat kept available for a period of at least ten (10) years; and, (c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors, or by these by-laws.

Section 9 Representative to Carolina Trace Association. The Board of Directors shall select a property owner of Laurel Thickets to be the representative to the Carolina Trace Association for a two-year term, commencing January 1 of odd-number years. The President of the Laurel Thicket Property Owners Association shall be the alternate representative.

ARTICLE VII

CONTRACTS, LOANS, CHECKS AND DEPOSITS

- Section 1 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors.
- Section 2 Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by two officers of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. The Treasurer is authorized to spend up to \$50 total without prior approval of the Board of Directors.
- Section 3 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select.
- Section 4 Contracts. The Board may not contract for or authorize the expenditure of more than \$2,500 on one contract or project without a favorable vote on the members at a meeting at which the notice includes such proposed expenditure. This restriction shall not apply to emergency repairs or replacements, repairs and replacements covered by insurance, and contracts and expenditures for items included in the prior year's budget.

ARTICLE VIII

MEMBERSHIP

- Section 1 Assessments of members shall be \$346 annually for an improved lot and \$155 for an unimproved lot, as defined in the reservations and restrictions for Laurel Thickets, and may be changed as stated in those reservations and restrictions.

ARTICLE IX

GENERAL PROVISIONS

- Section 1 Seal. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed "SEAL"; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Association.
- Section 2 Waiver of Notice. Whenever any notice is required to be given to any Member or Director by law, by the charter or by these by-laws, a waiver in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.
- Section 3 Fiscal Year. Unless otherwise ordered by the Board of Directors, the fiscal year of the Association shall be from January 1 through December 31.
- Section 4 Amendments. Except as otherwise provided herein, these by-laws may be amended or repealed and new by-laws may be adopted by the affirmative vote of a majority of the members of the Association present in person or by proxy.