

**BY LAWS** **Revision No. 2**  
**QUAIL RIDGE PROPERTY OWNERS ASSOCIATION OF LEE CO. INC.**

ARTICLE III (Items 2 and 4) and ARTICLE IV (Item 2) were amended by a majority of those present at the annual meeting of the membership in January, 2006.

**ARTICLE I - OFFICES**

**1. PRINCIPAL OFFICE**

The principal office of the Association shall be located at the residence of the current treasurer of the association.

**2. REGISTERED OFFICE**

The registered office of the Association required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

**ARTICLE II MEMBERSHIP**

**1. WHO ARE MEMBERS**

Members include all present owners of lots, with or without dwellings, in the Pine Knoll Subdivision of Lee County, NC which are restricted for building single family dwellings and are subject to the Covenants and Restrictions for Pine Knoll Subdivision. Specifically excluded are owners of lots in Sections D and K which are excluded from the Covenants.

**2. HOUSEHOLDS**

When property described in Article II, Section 1 above, shall be titled in more than one owner's name, only one owner shall be a member of the Association. The joint owners shall designate which owner is the voting member of the Association.

**ARTICLE III MEETINGS OF MEMBERS**

**1. PLACE OF MEETINGS**

All meetings of members shall be held at the principal office of the Association, or at such other place, either within or without the State of North Carolina, as shall be designated in the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.

**2. ANNUAL MEETINGS**

The annual meeting of Members shall be held at 7:00 o'clock P.M. on the third Tuesday in January 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.

\* The Board of Directors shall present at the annual meeting of Members:

- A.A review of the major events of the past year.
- B.A financial summary of the past year.
- C.A statement of the current financial position.
- D.A proposed financial budget for the next year.
- E.A slate of candidates for election as directors.

**BY LAWS** **Revision No. 2**  
**QUAIL RIDGE PROPERTY OWNERS ASSOCIATION OF LEE CO. INC.**

**3. 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 the members entitled to vote at the meeting.

**4. NOTICE OF MEETINGS**

Written or printed notice stating the time and place of the meeting, the agenda of the meeting and a list of topics of discussion 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 or members of the Association, with postage thereon prepaid

In the case of a special meeting, the notice of meeting shall specifically state the purpose for which the meeting is called; but, in the case of an annual meeting 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.

**5. VOTING LISTS**

At least ten days before each meeting of Members, the Treasurer 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 registered office of the Association 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.

**6. QUORUM**

The Members of the Association present in person or by proxy at a Meeting of the Association shall constitute a quorum.

**7. PROXIES**

Quail Ridge Ltd or any other commercial entity owning lots at Pine Knoll Subdivision of Lee County, NC, does not have the right to solicit or exercise proxy votes. The Board of Directors of Quail Ridge Property Owners Association of Lee County, Inc., shall have the sole right to determine what is a "commercial entity".

Members may vote either in person or by one or more agents authorized by a 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

**QUAIL RIDGE PROPERTY OWNERS ASSOCIATION OF LEE CO. INC.**

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.

**8. VOTING OF MEMBERS**

Each Member whose dues are paid to date shall be entitled to one vote per lot owned by such member and fractional votes for partial lots owned by such member. Each Member may cast their votes on each matter submitted to vote at a Meeting of Members.

**ARTICLE IV BOARD OF DIRECTORS****1. GENERAL POWERS**

The business and affairs of the Association shall be managed by its Board of Directors. The Board of Directors shall appoint the Architectural Committee as provided by the Covenants at the regular meeting of the Board of Directors.

The Board of Directors shall appoint other committees as it sees fit at any meeting of the Board of Directors and delegate authorities and responsibilities to the committees. The person appointed as committee chairman by the Board of Directors must be a member of the Board of Directors. The chairman of each committee shall make, or cause to be made, a written record of all actions of the committee and present such record at the next meeting of the Board of Directors for inclusion with the minutes of that meeting.

**2. NUMBER, TERM AND QUALIFICATION**

The number of directors constituting the Board of Directors shall be no less than 7 nor more than 11.

Directors shall be elected for a term of 2 years. However, a director may serve for only three two-year terms on the board and will not be eligible for two years after the last term expires. The term for Directors shall begin immediately after the close of the annual meeting of Members and expire at the close of the annual meeting of Members.

A candidate for the Board of Directors must be a Member of the Association or the spouse of a member of the association and have expressed a willingness to serve as a director.

**3. ELECTION OF DIRECTORS**

Except as provided in Section 6 of this 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.

**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.

**5. VACANCIES**

Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of the 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.

**BY LAWS** **Revision No. 2**  
**QUAIL RIDGE PROPERTY OWNERS ASSOCIATION OF LEE CO. INC.**

**6. 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 the directors.

**ARTICLE V MEETINGS OF DIRECTORS**

**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.

**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.

**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 two 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.

**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.

**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.

**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.

**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 shall be presumed to have assented to the action 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 the 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. Such right to dissent shall not apply to a director who voted in favor of such action.

**QUAIL RIDGE PROPERTY OWNERS ASSOCIATION OF LEE CO. INC.****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 is taken.

**ARTICLE VI OFFICERS****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 person shall hold two or more officer positions at the same time. A director, however, may also serve as an officer.

**2. ELECTION AND TERM**

The officers of the Association shall be elected by the Board of Directors at the regular meeting of the Board of Directors and each officer shall hold office for a term of one [1] year. The term for officers shall begin immediately after the close of the annual meeting of Members and expire at the close of the next annual meeting of Members.

Officers must be Members of the Association.

**3. COMPENSATION OF OFFICERS**

All officers of the association shall serve without compensation.

**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.

**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 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 or 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.

The President shall preside at all meetings of the Board of Directors.

**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 the President, and when so acting shall have all the powers of and be subject to all the restrictions 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

**QUAIL RIDGE PROPERTY OWNERS ASSOCIATION OF LEE CO. INC.**

assigned to him by the President or Board of Directors.

**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; and [f] 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.

**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 4 of Article VII of these by-laws; [b] prepare, or cause to be prepared a true statement of the Association's assets and liabilities as of 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 years; [c] 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 name and address of all members, and prepare or cause to be prepared voting lists prior to each meeting of Members as required by law; 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.

**ARTICLE VII CONTRACTS, LOANS, CHECKS AND DEPOSITS****1. CONTRACTS**

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

**2. 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.

**BY LAWS** **Revision No. 2**  
**QUAIL RIDGE PROPERTY OWNERS ASSOCIATION OF LEE CO. INC.**

**3. 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 such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

The Board of Directors may authorize any officer or officers, agent or agents, to spend funds of the Association up to specified amounts for specific purposes.

**4. 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.

**ARTICLE VIII MEMBERSHIP**

**1. DUES**

Dues of Members shall be the assessments provided by the covenants.

**ARTICLE IX GENERAL PROVISIONS**

**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.

**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 thereof 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.

**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.

**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 present at a meeting of which they have received written notice of the time, place and purpose of the meeting.