

By-Laws
of
Cambridge Oaks Homeowners Association, Inc.

ARTICLE I

OFFICES

- Section 1. **Principal Office.** The principal office of the Association shall be located in Union County, North Carolina.
- Section 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 in the State of North Carolina. The Board of Directors may change the address of the registered office from time to time.
- Section 3. **Other Offices.** The Association may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may designate or as the business of the Association may require from time to time.

ARTICLE II

MEMBERSHIP VOTING RIGHTS

- Section 1. **Membership.** Every owner of a Lot is subject to the Declaration of Covenants and shall be a member of the Association. Membership is appurtenant to each owner and may not be assigned. Members shall be all Lot Owners and shall be entitled to one vote for each Lot owned. When more than one (1) person owns an interest in a Lot, all shall be members, but in no event shall more than one vote be cast with respect to any Lot.
- Section 2. **Evidence of Ownership:** No owner may vote at any meeting of the association until she or he has presented evidence of ownership to the Association.
- Section 3. **Suspension of Voting Rights.** The Association, through its Board of Directors, shall have the right to suspend the voting rights (if any) of an Owner for any period during which assessment on his/her Lot remains unpaid and enforce collection of the same.

ARTICLE III

MEETINGS OF MEMBERS

- Section 1. **Annual Meeting.** The annual meeting of the Cambridge Oaks Homeowners Association members shall be held the 1st week of November each year at a time and place designated by the Board of Directors.
- Section 2. **Substitute Annual Meeting.** If the annual meeting for members shall not be held the week designated by these By-Laws, or any adjournment thereof, then a substitute annual meeting may be called in accordance with Section 3 of this Article and the meeting so called may be designated as the annual meeting.
- Section 3. **Special Meeting.** The President or a majority of the Board of Directors may call special meetings of the members.
- Section 4. **Place of Meeting.** The Board of Directors may designate any place in Union County or Mecklenburg County as the place of meeting for any annual meeting of members called by the Board of Directors. .
- Section 5. **Notice of Meeting.** Written or printed notice stating the time and place of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting. Notices will be delivered either personally or by mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each member of record 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 addition to the foregoing, notice of a substitute annual meeting shall state that the annual meeting was not held on the day designated by these by-laws and that such substitute annual meeting is being held in lieu of and is designated as such annual meeting.
- Section 6. **Voting Lists.** The Secretary shall make, at least ten (10) days before each meeting of members, a complete list of the members entitled to vote at such meeting, or any adjournment thereof. The list shall be arranged in alphabetical order, within the address of each member and shall be kept on file for a period of ten (10) days prior to such meeting, at the registered office of the Association and shall be subject to inspection by any member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting.
- Section 7. **Quorum.** A quorum at an Association meeting will consist of fifteen (15) homeowners/lot owners, entitled to vote, represented in person or by proxy.

The members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

In the absence of a quorum at the opening of any meeting of members, such meeting may

be adjourned from time to time by a vote of the majority of the members voting on the motion to adjourn; and at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting. If the required quorum is not present, another meeting may be called, subject to the notice requirements contained in Section 5, and the required quorum at the subsequent meeting shall be those members in attendance.

To the extent that the Declaration requires that a favorable vote of members shall be greater than a simple majority of the required quorum at a meeting in order for such vote to be action of the Association, then the Declaration shall control.

Section 8. **Proxies.** A member may be voted 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 (11) months from the date of its execution.

Section 9. **Voting of Members.** Each member of the Association shall be entitled to the voting rights set forth in Article III of the Declaration.

Section 10. **Votes Registered.** The vote of a majority of the members voting at a meeting of the members, duly held at which a quorum is present, shall be sufficient to take or authorize action upon any matter which may properly come before the Cambridge Oaks Homeowners Association. No matter may be voted on which conflicts with the North Carolina Planned Unit Development law or by these by-laws or Declaration of Covenants.

ARTICLE IV

BOARD OF DIRECTORS

Section 1 **Powers:** The Board of Directors shall manage the business and affairs of the Cambridge Oaks Homeowners Association, Inc.

Section 2 **Number of members, Term and Manner of Selection:** The Board of Directors shall be composed of five (5) members who shall serve until such time as their successors are duly elected and agree to serve. The Board of Directors members shall be elected by a majority vote of the voting members at the Annual November Cambridge Oaks Homeowners Association Meeting and shall serve for a three (3) year term. The next election of one Board member by the Cambridge Oaks Home Owners Association will be held at the Annual Association Meeting to be held in November 2004. At each of the 2005 and 2006 annual meetings, two Board members will be elected. Each new Board member will serve for the full three-year term. The term of present Board members will expire in 2004, 2005 and 2006 in order of length served. At each annual meeting thereafter the Association members shall elect the number of Board members needed to fill the vacancy of the Board member(s) whose term(s) is due to expire. Each Board member shall hold the position until his/her death, resignation, removal, disqualification, or his/her successor qualifies and is elected.

Section 3

Powers of Dues and Other Assessments: Without limiting the other powers of the Board of Directors, it shall have the power to establish the Cambridge Oaks Homeowners Association's dues and other assessments payable by members. To increase or decrease the amount of such payments in accordance with the Covenants, including the right to establish late charges and interest thereon the late payments. The initial late charge imposed for late payment of any assessment shall be 20% of the assessment and shall be charged as to any assessment that is not paid within thirty (30) days after the due date. The initial interest rate for late payment is eighteen (18%) percent per year (1.5% per month). The late payment shall commence to accrue on any assessment or other account balance that is not paid within thirty (30) days of the due date. The due date for the Association's Dues is January 1st. The initial date upon which liens may be filed for failure to make payment of assessment and other charges is thirty (30) days after the first notice of late payment (60 days after due date). For Dues, liens will be filed on March 3rd unless it is a leap year, then liens will be filed on March 2nd. The Board of Directors may change the initial late charge, interest rate, due date and lien assessment dates by majority vote (Reference Article 2, Section 7(c) of the Covenants).

Section 4

Vacancies: Any vacancy by a Director occurring during their elected term may be filled by the affirmative vote of a majority of the remaining Cambridge Oaks Homeowners Association Board of Directors even though less than a quorum or by the sole remaining director.

Any Vacancy created by an increase above the five directors shall be filled only by election at an annual meeting of members or at a special meeting of members called for that purpose.

Any director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

At a special meeting of members, the members may elect a director to fill any vacancy not filled by the directors.

Section 5

Removal: Any director may be removed at any time with or without cause. Removal will be by an affirmative vote of two thirds (2/3) of the Cambridge Oaks Homeowners Association members.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1.

Regular Meetings. A regular meeting of the Board of Directors may be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide, by resolution, the time and place within Union County in the State of North Carolina for the holding of additional regular meetings without other notice than such resolution.

- Section 2. **Special Meetings.** The President or any two directors may call special meetings of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place within the State of North Carolina as the place for holding any special meeting of the Board of Directors called by them.
- Section 3. **Notice.** Notice of special meetings of the Board of Directors shall be given to each director not less than two (2) days before the date of the meeting and by any usual means of communications. Neither the business transaction at, nor the purposes of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.
- Section 4. **Waiver by Attendance.** Attendance of a director at a meeting of the Board of Directors 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. **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 6. **Presumption of Assent.** Should a director of the Association be absent from a meeting of the Board of Directors at which action on any matter is taken, he/she shall be presumed to have assented to the action taken unless he/she has presented a proxy statement of a contrary vote. The absent director may provide, prior to that meeting, their proxy either in writing or verbally to any other director.

ARTICLE VI

OFFICERS

- Section 1. **Officers of the Association.** The officers of the Cambridge Oaks Homeowners Association shall consist of a President, First and Second Vice-Presidents, Secretary, Treasurer and such other officers as the Board of Directors may from time to time elect. .
- Section 2. **Election and Term.** The Board of Directors shall elect the officers of the Association. The election of officers shall be held immediately following the general election of a new Director. Each officer shall hold office until the Board elects new officers.
- Section 3. **Removal of Officers and Agents.** Any officer may be removed as per Article IV, Section 5 of these By-Laws. Any agent appointed by the Board of Directors may be removed by the Board of Directors. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.
- Section 4. **Bonds.** The Board of Directors may by resolution require any agent or employee of the corporation to give bond to the Association. The agent or employee must provide sufficient sureties as to the faithful performance of the duties of his/her respective position, and must comply with such other conditions as may from time to time be required by the Board of Directors or by their contract.

Section 5. **President.** The President shall be the principal executive officer of the Association and be on the Board of Directors 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 or she shall, when present, preside at all meetings of the Association. He or she shall sign, with the 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. The exception is in the cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed. In general, the President shall perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time. The President shall also oversee the Covenants and By-Laws Committee.

Section 6. **Vice Presidents.** In the absence of the President or in the event of his/her death, inability or refusal to act, the First Vice-President 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. Should the First Vice-President be unavailable, then the Second Vice President will assume the duties of the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the President or Board of Directors. The First Vice-President shall oversee the Communication Committee and the Second Vice-President shall oversee the Architectural Review Committee.

Section 8. **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 bylaws or as required by law; (c) be custodian of the Association 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 containing the name and the post office address of each member which shall be furnished to the Secretary by such member; and (e) 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 9. **Treasurer.** The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association. The Treasurer and/or his/her contracted agent shall receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association. Deposit shall be placed in such depositories as selected by the Board of Directors in accordance with the provisions of the By-Laws. The Treasurer shall in general perform all of the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

The Treasurer shall prepare, or cause to be prepared, a true statement of the corporation'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 (4) months after the end of such fiscal year and thereafter kept available for a period of at least ten (10) years.

ARTICLE VII

ARCHITECTURAL REVIEW COMMITTEE (ARC)

- Section 1 Powers: The business and affairs of the ARC shall be for the purpose of reviewing, approving, suggesting changes to, and rejecting plans and specifications for new construction and lot/property improvements. The Architectural Review Committee shall conduct all reviews of submitted Architectural Review Committee forms with owner's plans and specifications for new construction and lot/property improvements. The committee shall approve, suggest changes to and/or reject said submitted forms with plans and specifications subject to review by the Cambridge Oaks Homeowners Association Board of Directors. The Architectural Review Committee shall notify the Lot/Homeowner of their decision following the Cambridge Oaks Homeowners Association Board of Directors review.
- Section 2 Review by Cambridge Oaks Homeowners Association Board of Directors: All Board of Directors will receive a copy of the Architectural Review Committee's decision. Copies of the decision will be provided to the Board of Directors at least 72 hours prior to the time limit (15 days) established by the Covenants, Article 5, Paragraph (e). The Board of Directors will review for total compliance with the Declaration of Covenants, Conditions and Restrictions of the Cambridge Oaks Subdivision. In no way shall the review of the Committee's decision interfere with the deadline set forth in the Covenants.
- Section 3 Number of members, Term and Manner of Selection: The Committee shall be composed of three (3) members under the control of the Cambridge Oaks Homeowners Association's Board of Directors. The Architectural Review Committee members shall be elected by a majority vote of the voting members at the Annual November Cambridge Oaks Homeowners Association Meeting and shall serve for a three (3) year term. Per the Covenants Article 5, Section (b) initial Committee members must be elected by the Cambridge Oaks Homeowners Association members once the Declarant relinquishes control. The initial election of the Committee members by the Cambridge Oaks Home Owners Association will be held at the Annual Association Meeting to be held in November 2003. The Committee members will be elected with one Committee member serving for a term of one year, one Committee member serving for a term of two years, and one Committee member serving for a term of three years. At each annual meeting thereafter (2004, 2005, 2006) the Association members shall elect a Committee member to fill the vacancy of the Committee member whose term is due to expire. Each newly elected Committee member in 2004, 2005, and 2006 will then serve for the three year term. Each Committee member shall hold the position until his/her death, resignation, removal, disqualification, or his/her successor qualifies and is elected.
- Section 4 Vacancies: Any vacancy occurring on the Architectural Review Committee may be filled by the affirmative vote of a majority of the Cambridge Oaks Homeowners Association Board of Directors. Shall a vacancy occur at or near the end of a Committee member's term, the vacancy will be filled by election at the Annual Homeowners Meeting

Section 5

Removal: Any Architectural Review Committee member may be removed at any time with or without cause. Removal will be by an affirmative vote of two thirds (2/3) of the Cambridge Oaks Homeowners Association members.

Section 6

Architectural Review Committee Chairman: Should a Cambridge Oaks Homeowners Association Board of Directors member be elected to the Architectural Review Committee then that individual will automatically become Chairman. Should no Board of Directors member be elected to the Architectural Review Committee then the Chairman shall be elected from and by the three members. If by chance more than one of the Cambridge Oaks Homeowners Association Board of Directors was elected to the Architectural Review Committee then the Cambridge Oaks Homeowners Association Board of Directors shall select the Chairman.

ARTICLE VIII

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 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.

Section 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. Such authority may be general or confined to specific instances.

Section 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 in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4.

Deposits. All funds of the Association not otherwise employed shall be expediently deposited in a Cambridge Oaks Homeowners Association, Inc. account in a FDIC insured institution.

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. **Fiscal Year.** Unless otherwise fixed by the Board of Directors, the fiscal year of the corporation shall begin on the first day of January and end on the 31st day of December in each year.

Section 3. **Amendments.** The Board of Directors may from time to time consider amending or repealing the by-laws and establishing new By-Laws. The Board of Directors shall have no power to adopt a bylaw. Amendments or changes to existing by-laws should be recommended by a Covenants and By-Laws Committee to the Board of Directors. By an affirmative vote of a majority of the Board of Directors, the amendments or repeal and new By-Laws will be presented to and voted on by the Cambridge Oaks Homeowners Association.

Section 4. **Provisions of Articles of Incorporation and Declaration.** In case of conflict between a provision in these bylaws and a provision in the Articles of Incorporation of the Association or the Declaration, the provision of the Articles of Incorporation or Declaration shall govern.

I hereby certify that the foregoing is a true and accurate copy of the By-Laws adopted by the Cambridge Oaks Homeowners Association, Inc. and contains all amendments thereto through the date of this certification.

[Affix Corporate Seal]

Kent Byrom, Secretary

Date of Certification, September 17, 2003