

**BY-LAWS OF  
WOODCROFT COMMUNITY ASSOCIATION, INC.**

**ARTICLE 1**

**MEMBERS**

**Section 1. Membership in the Corporation.**

The members of the Woodcroft Community Association, Inc. (hereinafter referred to as "Corporation"), shall be specified in Article III, Section 1, of the Declaration of Covenants and Restrictions of Woodcroft Community Association and Woodcroft Company, a North Carolina Partnership, as amended, hereinafter referred to as the "Covenants". The "Company" shall mean and refer to Woodcroft Company, its successors and assigns.

The Board of Directors of the Corporation may suspend the voting rights of any member during any period of time when such person is in default of any of his obligations under the By-Laws (including, without limitation, the failure to pay any assessment), provided that such default has continued uncured for a period of ten (10) days after written notice thereof to such member.

**Section 2. Membership Classes.**

There shall be the following five (5) classes of membership in the Corporation:

(1) TYPE "A": Type "A" members shall be all Owners, including the Company, its successors and assigns, of Residential Lots and Family Dwelling Units. A Type "A" member shall be entitled to two (2) votes for each Residential Lot which he owns. A Type "A" member shall be entitled to two (2) votes for each Family Dwelling Unit which he owns.

(2) TYPE "B": Type "B" members shall be all those Owners, including the Company, its successors and assigns, of platted Public or Commercial Sites and Multiple-Family Tracts. A Type "B" member shall be entitled to one (1) vote for each One Hundred (\$100.00) Dollars in Annual Assessments paid to the Corporation. In computing the number of votes to which a Type "B" member shall be entitled, the amount of the Assessment

paid shall be rounded to the nearest One Hundred (\$100.00) Dollars.

(3) TYPE "C": Type "C" members shall be all those Owners, including the Company, its successors and assigns, of Public or Commercial Units. A Type "C" member shall be entitled to one (1) vote for each One Hundred (\$100.00) Dollars in Annual Assessments paid to the Corporation. In computing the number of votes to which a Type "C" member shall be entitled, the amount of the Assessment paid shall be rounded to the nearest One Hundred (\$100.00) Dollars.

(4) TYPE "D": Type "D" members shall include all those Owners, including the Company, its successors and assigns, of Unsubdivided Lands and Development Unit Parcels held and intended for future development by the Company or a third party. A Type "D" member shall be entitled to one (1) vote for each One Hundred (\$100.00) Dollars of Annual Assessments paid to the Corporation. In computing the number of votes to which a Type "D" member shall be entitled, the amount of the Assessment paid shall be rounded to the nearest One Hundred (\$100.00) dollars.

(5) TYPE "E": The Type "E" member shall be the Company, its successors and assigns. The Type "E" member shall be entitled to elect a portion of the Board of Directors as set out in Article IV of the Articles of Incorporation.

Payment of Special Assessments shall not entitle Type "A", "B", "C", and "D" members to additional votes. When any property entitles the Owner to membership as Type "A", "B", "C", or "D" member of the Corporation is owned of record in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the Secretary of the Corporation, their acts with respect to voting shall have the following effect:

(1) If only one (1) votes, in person or by proxy, his act shall bind all;

(2) If more than one (1) vote, in person or by proxy, the act of the majority so voting shall bind all;

(3) If more than one (1) vote, in person or by proxy, but the vote is evenly split on any particular matter, each fraction shall be entitled to its proportionate share of the vote or votes;

(4) If the instrument or order filed with the Secretary of the Corporation shows that any such Tenancy is held in unequal interest, a majority or even split under subparagraphs (2) and (3) immediately above shall be a majority or even split in interest in the property to which the vote(s) is attributable;

(5) The principles of this paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections, and for the purpose of ascertaining the presence of a quorum.

The voting rights of any Owner may be assigned by said Owner to his lessee; provided, however, that the Owner may not assign to such lessee any vote or votes not attributable to the property actually leased by such lessee.

### Section 3. Voting Rights in the Corporation.

The members of the Corporation shall have the right to vote for the election and removal of directors and upon such other matters with respect to which a vote of members is required under the laws of the State of North Carolina. Each member of Type "A", "B", "C", and "D" membership classes shall be entitled to as many votes as equals the total number of votes he is entitled to based on his Ownership of or Tenancy in one (1) or more of the various classifications of property as computed by the formula set out hereinabove in Section 2 hereof. In the election of directors, each member may cast the total number of votes to which he is entitled for each vacancy to be filled by a Class I Director. Cumulative voting shall not be allowed. Members, except the Type "E" membership, are divided into classes for the purpose of computing voting rights and shall not vote as a class.

### Section 4. Members to Have Power of Referendum in Certain Instances.

Where specifically provided for herein, the members, or some specific portion thereof, shall have the power to approve or reject certain actions proposed to be taken by the

Corporation by Referendum. In the event fifty-one (51%) percent, or more, of the votes actually returned to the Corporation within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass" and the action voted upon will be deemed to have been authorized by the members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed herein, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions herefor. At any time that the Type "A", "B", "C", and "D" members have the ability to elect a majority of the Board of Directors, the members may require a Referendum on any action of the Board of Directors by presenting to the Secretary of the Board within thirty (30) days of the taking of such action or ratification by the Board of its intent to take such action a petition signed by not less than twenty-five (25%) percent of the members.

## ARTICLE II

### MEETING OF MEMBERS

#### Section 1. Annual Meeting.

The annual meeting of the members shall be held on such date during April of each year as shall be fixed yearly by a resolution of the Board of Directors. Such annual meetings shall be held for the purpose of electing directors and for transaction of such other business as may come before the meeting.

#### Section 2. Special Meeting.

Special meeting of the members may be called by the President, the Board of Directors or, subsequent to the first annual meeting, members of the Corporation holding not less than one-fifth of the votes.

#### Section 3. Place of Meeting.

The Board of Directors or the President may designate any location within Durham County, North Carolina as the place for any annual meeting or special meeting called by the Board of Directors, and the President may designate any location as the place for any special meeting called by him. If no designation is made or if a special meeting is called by the members of the Corporation, the place of meeting shall

be the principal office of the Corporation within Durham County, North Carolina.

**Section 4. Notice of Meeting.**

Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed or delivered not less than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary or the person calling the meeting, to each member of the Corporation at his address as shown on the records of the Corporation. A member may, in writing, signed by him, waive notice of any meeting before or after the date of the meeting stated therein.

**Section 5. Informal Action by Members.**

Any action required or permitted by law to be taken at a meeting of the members of the Corporation may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the members of the Corporation, which consent shall be filed with the Secretary of the Corporation as part of the corporate records.

**Section 6. Quorum Required for any Action Authorized at Regular or Special Meetings of the Corporation.**

The quorum required for any action which is subject to vote of the members at an open meeting of the Corporation (as distinguished from the Referendum) shall be as follows:

(a) The first time a meeting of the members of the Corporation is called to vote on (i) an increase in the Maximum Regular Annual Assessment greater than that provided for by subparagraph (o) of Section 3 of Article V of the Covenants, (ii) a Special Assessment as provided for by Section 4 of Article V of the Covenants, (iii) the gift or sale of any parcel of land and improvements thereon designated as a Common Property or Restricted Common Property as provided for by subparagraph (f) of Section 4 of Article IV of the Covenants, (iv) an Amendment to the Covenants as provided for by Section 2 of Article VIII of the Covenants, or (v) the termination of the Covenants as provided for by Section 1 of Article VIII of the Covenants, the presence at the meeting of members or proxies entitled to cast sixty (60%) percent of the total vote of the membership required for such action shall constitute a quorum.

(b) The first time a meeting of the members of the Corporation is called to vote on any action proposed to be taken by the Corporation, other than that described in subparagraph (a) above, the presence at the meeting of members or proxies entitled to cast thirty (30%) percent of the total vote of the membership required for such action shall constitute a quorum.

If the required quorum is not present at any meeting described in subparagraphs (a) or (b) above, with the exception of any meeting called to vote on the termination of the Covenants described in subparagraph (a(v)) above, another meeting or meetings may be called subject to the giving of proper notice and the required quorum at such subsequent meeting or meetings shall be one-half (1/2) of the required quorum at the preceding meeting.

#### Section 7. Conduct of Meetings.

The directors may make such regulations as they deem advisable for any meeting of the members, including proof of membership in the Corporation, evidence of the right to vote and the appointment and duties of inspectors of votes. Such regulation shall be binding upon the Corporation and its members.

#### Section 8. Ballots by Mail.

When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Corporation, a statement of certain motions to be introduced for vote of the members and a ballot on which each member may vote for or against each motion. Each ballot which is presented at such meeting shall be counted in calculating the quorum requirements set out in Section 6 of this Article II. Provided, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.

### ARTICLE III

#### DIRECTORS

##### Section 1. General Powers.

The affairs of the Corporation shall be managed by its directors. The directors need not be members of the Corporation.

## Section 2. Tenure.

At the first annual meeting, the member shall elect directors to serve until the second subsequent Annual Meeting. At each annual meeting thereafter (or at a Special Meeting expressly called for election of directors required due to increase in the number of members of the Board of Directors), the members shall elect directors as provided in the Articles of Incorporation. Any vacancy occurring in the initial or any subsequent Board of Directors, other than by increase in the number of members of the Board of Directors, may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, or by a sole remaining director and, if not previously filled, shall be filled at the next succeeding meeting of the members of the Corporation. Any director elected to fill a vacancy, other than by increase in the number of members of the Board of directors, shall serve as such until the expiration of the term of the director whose position he was elected to fill. Election of directors by the Board of Directors to fill a vacancy may be conducted by mail ballot if the Board of Directors so determine.

## Section 3. Annual Meetings.

Annual meetings of the Board of Directors shall be held annually immediately following the annual meeting of the members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board without notice.

## Section 4. Special Meetings.

Special meetings of the Board of Directors may be called by or at the request of the President or any two directors by giving notice thereof as provided in Section 5 of this Article III. Such persons called a special meeting of the Board of Directors may fix any location as the place for holding such special meeting.

## Section 5. Notice.

When notice of any meeting of the Board of Directors is required, such notice shall be given at least three days previous to such meeting by written notice delivered personally or sent by mail to each director at his address as shown on the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited,

postage prepaid, in the United States mail in a sealed envelope properly addressed. Any director may waive notice of any meeting before or after the time of the meeting stated therein and attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted to, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting unless specifically required by law, the Articles of Incorporation, these By-Laws or the Covenants.

#### Section 6. Quorum.

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting without further notice.

#### Section 7. Manner of Acting.

The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

#### Section 8. Compensation.

Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors any director may be reimbursed for his actual expenses incurred in the performance of his duties as director but nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

#### Section 9. Informal Action by Directors.

Any action required or permitted by law to be taken at a meeting of directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by a majority of the directors, which consent shall be filed with the secretary of the Corporation as part of the corporate records.

## ARTICLE IV

### 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 Properties and Restricted Common Properties 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 Common Properties and Restricted Common Properties during any period in which such member shall be in default in the payment of any assessment levied by the Corporation. 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 Corporation all powers, duties and authority vested in or delegated to the Corporation and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Covenants;

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

#### 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 one-fourth (1/4) vote of the members who are entitled to vote;

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

(1) fix the amounts of all assessments;

- (2) send written notice of all assessments to every owner subject thereto;
- (3) in the discretion of the Board of Directors, foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same; and
- (4) provide for a Board of Architectural Review.

(d) issue, or cause an appropriate office to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned or leased by the Corporation;

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

(g) cause the Common Properties, Restricted Common Properties, Intended Common Properties, and Intended Restricted Common Properties to be maintained or improved.

#### ARTICLE V

To the extent and in the manner provided by law, the Corporation may participate in mergers and consolidation with other non-profit associations organized for the same purpose, provided, however, that any such mergers or consolidations shall require approval by receiving more than two-thirds of the votes entitled to be cast by Type "A", "B", "C", and "D" members present or represented by proxy at a meeting held in accordance with the provisions of North Carolina State law.

Upon mergers or consolidation of the Corporation with another association or associations, its property right and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Corporation as a surviving corporation pursuant to a merger. The surviving or consolidated