

**BYLAWS
OF
THE DOWNS GRANT HOMEOWNERS ASSOCIATION**

ARTICLE I.

NAME AND LOCATION

The name of the corporation is THE DOWNS GRANT HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1057 E. Morehead St., Charlotte, Mecklenburg County, North Carolina 28204, c/o BLEDSOE & BLEDSOE, P.L.L.C., and the mailing address of the corporation shall be THE DOWNS GRANT HOMEOWNERS ASSOCIATION, Post Office Box 470952, Charlotte, Mecklenburg County, North Carolina 28247-0952, but meetings of members and directors may be held at such places within the State of North Carolina as may be designated by the Board of Directors.

ARTICLE II.

DEFINITIONS

- Section 1. **"Association"** shall mean and refer to The Downs Grant Homeowners Association, its successors and assigns.
- Section 2. **"Properties"** shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- Section 3. **"Common Area"** shall mean all real property owned by the Association for the common use and enjoyment of the Owners.
- Section 4. **"Lot"** shall mean and refer to any plot of land, consisting of less than one acre, shown upon any recorded subdivision map of the Properties with the exception of the Common Area.
- Section 5. **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties.
- Section 6. **"Declaration"** shall mean and refer to the Restrictions applicable to the Properties recorded in the Office of the Register of Deeds for Mecklenburg County, North Carolina.
- Section 7. **"Member"** shall mean and refer to Property Owners.

ARTICLE III.

MEETINGS OF MEMBERS

- Section 1.** **Annual Meetings.** A regular annual meeting of the Members shall be held during the month of January each year to be scheduled by the Board of Directors.
- Section 2.** **Special Meetings.** Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of one-fourth (1/4) of the Members who are entitled to vote.
- Section 3.** **Notice of Meetings.** Written notice of each meeting of the Members will be mailed by the Board Secretary to each Member entitled to vote at least fifteen (15) days before such meeting. Notices will give the date, place and hour of the meeting and in the case of a special meeting, the reason for the meeting.
- Section 4.** **Quorum.** The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of 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 thereat shall have power to adjourn the meeting without notice, other than announcement at the meeting, until a quorum shall be presented or be represented.
- Section 5.** **Proxies.** At all meetings of Members; each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV.

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

- Section 1.** **Number.** The affairs of this Association shall be managed by the Board of seven (7) Directors, who need not be Members of the Association.
- Section 2.** **Term of Office.** At each annual meeting, the Members shall elect Directors for terms of three (3) years to fill the terms of those Directors whose terms are expiring.
- Section 3.** **Removal.** Any Director may be removed from the Board, with or without cause, by a two-thirds (2/3) majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.
- Section 4.** **Compensation.** No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.
- Section 5.** **Action Taken Without a Meeting.** The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V.

NOMINATION AND ELECTION OF DIRECTORS

- Section 1. Nomination.** Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.
- Section 2. Election.** Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast one vote per Lot for each open position. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI.

MEETINGS OF DIRECTORS

- Section 1. Regular Meetings.** Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed by the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held within seven (7) days before or after the holiday.
- Section 2. Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.
- Section 3. Quorum.** A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII.

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 Area and facilities, 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 the recreational facilities by a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. 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 Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
 - (d) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) 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 of 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) of the Members who are entitled to vote;

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

(c) as more fully provided in the Declaration, to:

(1) fix amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment of every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any Property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same, or take such other action which the Board of Directors deems appropriate.

(d) issue, or to cause an appropriate officer 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 by the Association;

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

(g) cause the Common Area to be maintained.

ARTICLE VIII.

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this article.

Section 8. Duties. The duties of the officers are as follows:

(a) **President.** 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, promissory notes, mortgages, deeds and other written instruments.

(b) **Vice-President.** The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and perform such other duties as required by the Board.

(d) **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association, keep proper books of account; cause a quarterly audit of the Association's books to be made by the three (3) non-officer Board Members and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members present.

ARTICLE IX.

COMMITTEES

The Association Board of Directors shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE X.

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member (by contacting the Board President or Secretary). Copies may be purchased at reasonable costs.

ARTICLE XI.

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 thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of nine percent (9%) per annum, or at the highest permissible legal rate not to exceed nine percent (9%) per annum and the Association may bring an action at law 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 such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII.

CORPORATE SEAL

The Association shall have a seal consisting of two (2) 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 corporation.

ARTICLE XIII.

AMENDMENTS

- Section 1.** These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority or a quorum of Members present in person or by proxy.
- Section 2.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV.

MISCELLANEOUS

The fiscal year of the Association shall be the calendar year, which shall begin on the first day of January and end on the 31st day of December of every year.

Revised August 1996