

**BYLAWS OF
GLENCOE MILL VILLAGE OWNERS ASSOCIATION, INC.**

**Article I
Name and Location**

The name of the corporation is GLENCOE MILL VILLAGE OWNERS ASSOCIATION, INC., hereinafter referred to as “the Association”. The principal office of the corporation shall be located at P.O. Box 788 1733, Burlington, Alamance County, North Carolina 27216 or at such other place as the Board of Directors shall designate from time to time.

**Article II
Definitions**

Section 1. “Association” shall mean and refer to Glencoe Mill Village Owners Association, Inc., its successors and assigns.

Section 2. “Properties” shall mean and refer to that certain real property described in the Declaration herein referred to, which is also more commonly known as Glencoe Mill Village, Phase I, as shown on the plat recorded in the Alamance County Register of Deeds at Plat Book 64, pages 63 and 64.

Section 3. “Common Area” shall mean all of the Properties except Lots and dedicated streets, and shall refer to all real property owned, leased or held by the Association for the common use, enjoyment or benefit of the Owners.

Section 4. “Lot” shall mean and refer to any numbered plot of land designated by letter or number (for example, “1”) shown upon any recorded subdivision map of the Properties with the exception of the Common Area and dedicated streets.

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, but excluding those having an interest as security for the performance of an obligation.

Section 6. “Living Unit” shall mean and refer to any portion of a building situated upon the Properties designated and intended for use and occupancy as a residence by a single family.

Section 7. “Declarant” shall mean and refer to The Historic Preservation Foundation of North Carolina, Inc., its successors and assigns.

Section 8. “Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions and Declaration of Planned Community for Glencoe Mill Village recorded on August 31, 1999 in Alamance County Register of Deeds Book 1324, Page 223, and any duly-authorized amendments thereto.

Section 9. “Member” shall mean and refer to those persons or entities entitled to membership with voting rights as provided in Article III of these Bylaws.

Section 10. “Act” shall mean and refer to the North Carolina Planned Community Act, N.C. Gen. Stat 47F-1-101 *et seq.*

Section 11. Other terms not defined herein shall be defined in the Declaration.

Article III Membership and Property Rights

Section 1 – Membership. Every Owner of a Lot which is subject to a lien for assessments shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot subject to assessment. The voting rights of the Members shall be as provided by the Declaration. The Association as an Owner of any Lots or Common Areas shall not be a Member of the Association and shall have no vote in matters before the Association on account of its ownership of such Lot or Common Areas.

Section 2 – Property Rights. Each Member shall be entitled to the use and enjoyment of the Common Areas as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Areas and facilities to the members of his family, his tenants or contract purchasers who reside on his Lot. Such Member shall notify the secretary of the Association in writing of the name of the delegate. The rights and privileges of such delegates are subject to suspension to the same extent as those of the Member.

Article IV Meetings of Members

Section 1 – Annual Meetings. The first annual meeting of the Members shall be held during the calendar year first following the year in which the Articles of Incorporation are filed. Each subsequent regular annual meeting of the Members shall be held each year thereafter at a regular time not earlier than ten (10) months nor later than fourteen (14) months after the

preceding annual meeting at such times and at such places as the Board of Directors may determine.

Section 2 – Special Meeting. Special Meetings of the Members may be called at any time by the president, or by a majority of the Board of Directors, and shall be called by said Board upon a written request of the Members who are entitled to vote one tenth (1/10) of all the votes of membership. The agenda for such special meetings shall be limited to the items of business stated in the notice of said meetings given in the manner hereinbelow provided.

Section 3 – Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting by mailing a copy of such notice, ~~postage prepaid,~~ **by postage prepaid postal mail or electronic mail (amendment ratified 10/18/08)** no less than ten (10) nor more than sixty (60) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Proof of such mailing shall be given by the Affidavit of the person giving the notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, items of business to be considered at the meeting. Waiver by a Member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 4 – Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one fourth (1/4) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, these Bylaws or the Act. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, by affirmative vote of a majority of those present in person or by proxy and the quorum requirement at the next meeting shall be one-half (1/2) of that required at the adjourned meeting, and so forth until a quorum is present. Notice of each such meeting must be given as specified in Section 3 above.

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 V

Board of Directors: Selection; Term of Office

Section 1 – Number. The affairs of this Association may be managed by a Board of five (5) Directors, all of whom must be Members of the Association. At all times during which the Declarant is a member of the Association, Declarant shall have the right to appoint one (1) member of the Board of Directors. **The Bylaws do not allow the Board to appoint members to the Board except as provided for in Article V, Section 3 (clarification approved 01/28/06)**

Section 2 – Term of Office. ~~At the first annual meeting, and at such annual meeting thereafter, the Members shall elect Directors who shall serve for a term of two (2) years or until their respective successors are properly chosen by majority vote of the Members present and entitled to vote, a quorum of Members being present. Directors shall serve until their respective successors are duly elected or until removed in the manner elsewhere provided herein or as may be provided by law.~~ **For the 2008 election only, to begin an election schedule that will allow for overlapping of Board Members to avoid the potential biennial turnover of the entire Board, two (2) members will each be elected to a one-year term and two (2) members will each be elected to a two-year term to serve until their respective successors are properly chosen. The fifth position is currently filled by Declarant (PNC) appointment. Thereafter,**

At each annual meeting, the Members shall elect two (2) Directors who shall serve for a term of two (2) years or until their respective successors are properly chosen. The fifth position will continue to be filled by PNC appointment until such a time as Declarant is no longer a member of the Association, or chooses to waive their right to appoint one (1) member. At that time his/her successor shall be selected by the remaining members of the Board and shall serve until the next annual election. Thereafter,

At each annual meeting, the Members shall elect Directors who shall serve for a term of two (2) years or until their respective successors are properly chosen by majority vote of the Members present and entitled to vote, a quorum of Members being present. Directors shall serve until their respective successors are duly elected or until removed in the manner elsewhere provided herein or as may be provided by law. The number of Directors elected at each annual meeting shall alternate between two (2) and three (3) for a full Board complement of five (5). (amendment approved 10-18-08)

Section 3 – Removal. Any Director, other than a Director appointed by Declarant, may be removed from the Board, with or without cause, by majority vote of the Members present and entitled to vote at any meeting of the Members, a quorum of Members being present. 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 the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Article VI Nomination and Election of Directors

Section 1 – Nomination. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting.

Section 2 – Election. Election to the Board of Directors shall be by such means as the Board may from time to time select, but, in any event, shall be by majority vote of the Members present and entitled to vote, a quorum of Members being present. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Article VII Meetings of Directors

Section 1 – Regular Meetings. Regular meetings of the Board of Directors shall be held at such periodic intervals as may be established by the Board of Directors from time to time at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2 – Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by three (3) Directors, after not less than three (3) days notice to each Director.

Section 3 – Quorum. A majority of the total 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. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time by affirmative vote of a majority of those present in person or by proxy and the quorum requirement at the next meeting shall be one-half (1/2) of that required at the adjourned meeting,

and so forth until a quorum is present. Notice of each such meeting must be given as specified in Section 1 above.

Article VIII

Powers and Duties of the Board of Directors

Section 1 – Powers. The Board of Directors shall have the power to:

- a) Adopt and publish rules and regulations governing the use of the Common Areas and facilities, the personal conduct of the Members and their guests thereon and to establish penalties for the infraction thereof;
- b) Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment, dues or charge 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 the Association and not reserved to the membership in other provisions of these Bylaws, the Articles of Incorporation, the Declaration or the Act;
- 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.
- e) Employ a manager, an independent contractor or such other employees as they deem necessary and to prescribe their duties, and delegate any or all of the Board's powers to such manager, contractor or employee;
- f) Employ attorneys and accountants to perform professional services for the Association as deemed necessary; and
- g) Perform those duties hereinafter specified.

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;

- 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 the 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 to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - 3) should the Board deem it advisable, 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;
- d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate or paper writing setting forth whether or not any assessment has been paid. If a certification states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- e) Procure and maintain adequate liability insurance covering the Association, its Directors, officers, agents and employees and to procure and maintain adequate hazard insurance on the real and personal property owned by the Association as it deems necessary and desirable and as required by the Act;
- f) Cause all officers and employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- g) Cause the Common Areas to be maintained;
- h) Cause any subdivision signage to be maintained;
- i) Cause all water and sewer lines and connections for which the City of Burlington or some other municipal entity is not responsible, exclusive of internal plumbing, to be maintained where such are located under or upon the Common Areas;
- j) Provide water to the Common Areas, if needed, and pay the costs thereof; provide lighting and such other electrical services and utilities to the Common Areas as may be deemed necessary or desirable by the Board, and pay the cost thereof;
- k) Adopt and approve a budget for each fiscal year which shall contain itemized estimates of the income of the Association and expenditures involved in performing the functions of the Association; such budget shall be adopted and approved by the Board on or before December 31 of each calendar year and such budget shall be based on income and expenditures for twelve (12) months next preceding November 30 of that year; within thirty (30) days prior to the adoption of any proposed budget, the Board shall provide a summary of said budget to all members and notice of the meeting when the Board will consider ratification of the budget, including a statement that the budget may be adopted without a quorum; such meeting shall be held not less

than ten (10) nor more than sixty (60) days after mailing of the summary and notice to members; said budget shall be considered ratified unless at the meeting a majority of owners votes to reject the proposed budget;

- l) At the time of the approval and adoption of the annual budget, set the maximum annual assessment for the succeeding year; and
- m) Fulfill such other duties as may be required by the Declaration or the Act.

Section 3 – No Power to Alter Development Plan. The Board of Directors shall have no power to take, approve or cause any act or omission to be made which would have the effect of significantly altering the overall development plan of the Properties or which would impair the ability of Declarant to exercise its rights under these Bylaws, the Declaration or the Act.

Article IX Officers and Their Duties

Section 1 – Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be Members of the Board of Directors, and elected from its membership, 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 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 such officer 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 of time, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5 – Resignation and Removal. Any officer may be removed from office with or without cause by a majority vote of those Board members present, a quorum being present. Any officer may resign at any time by giving written notice to the Board, the president or secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise 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 the 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, mortgages, deeds and other written instruments; shall co-sign all checks and promissory notes and shall execute any amendments to the Declaration pursuant to the procedures specified in the Declaration;
- b) Vice President – The vice-president shall act in the place and stead of the president in the event of the absence, inability or refusal of the president and shall exercise and discharge such other duties as may be required by the Board;
- c) Secretary – The secretary shall faithfully and accurately record the votes and keep the minutes of all meetings and proceedings of the Board and of all the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notices of meetings of the Board and of the Association, together with their addresses; shall certify the president’s execution of any amendments to the Declaration pursuant to the procedures specified in the Declaration, and shall 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 and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; ~~cause an annual audit of the Association’s books to be made by a public accountant at the completion of each fiscal year,~~ **cause an annual internal audit of the Association’s books to be made by an owner review group of three Members, other than the treasurer, who report back to the Board (ratified 10/18/08),** and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members. The treasurer may be

compensated for services as such as the Board of Directors may determine. The treasurer may be bonded by a corporate surety licensed to do business in North Carolina in an amount determined by the Board of Directors.

Article X Committees

The Board of Directors may appoint such committees and subcommittees as are deemed appropriate in carrying out its purposes and duties.

Article XI 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 Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Article XII 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~~ **notification of delinquency (ratified 10/18/08)**, assessment shall bear interest from the date of delinquency at the rate specified in the Declaration, 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 assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

Article XIII Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: Glencoe Mill Village Owners Association, Inc.

Article XIV Amendments

Section 1. These Bylaws may be amended at a regular or special meeting of the Members by a vote of a majority of a quorum of Members present, in person or by proxy. Upon the approval of any amendment or amendments, the same shall become binding upon all Members of the Association, and shall be filed forthwith in the corporate notebook with the other important documents of the Association.

Section 2. In the case of any conflict between the Act, the Articles, the Declaration and/or the Bylaws, the documents shall have precedence in that order.

Article XV Miscellaneous

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Article XVI Parliamentary Rules

Roberts Rules of Order (latest edition) shall govern the conduct of the proceedings of the Association and the Board of Directors when not in conflict with the Articles of Incorporation, the Declaration, these Bylaws or with the General Statutes of the State of North Carolina.

Article XVII Indemnification of Board Members and Officers

Each Director and officer shall be indemnified by the Association against the costs and expenses reasonably incurred by him in connection with any action, suit, or proceeding in which he may be involved by reason of his being or having been a director or officer of the Association

09-14-10 Updated to include changes made by membership vote since Turnover Meeting on 09-12-04

Changes shown in red

(whether or not he is a director or officer at the time of incurring such costs and expenses), except with respect to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duty as such director or officer.

In case of the settlement of any action, suit, or proceeding in which any such director or officer of the Association is involved by reason of his being or having been a director or officer of the Association, he shall be indemnified by the Association against the costs and expenses, including any amount paid in settlement incurred by him in connection with such action, suit, or proceeding (whether or not he is a director or officer at the time of incurring such costs or expenses), if, and only if, (a) the Association shall be advised by independent counsel that such director or officer is not liable for negligence or misconduct in the performance of his duty as such director or officer with respect to the matters covered by such action, suit, or proceeding, and the cost to the Association of indemnifying such director or officer (and all other directors and officers, if any, entitled to indemnification hereunder in such cases) if such action, suit or proceeding were carried to a final adjudication in their favor would exceed the amount of costs and expenses to be reimbursed to such directors and officers as a result of such settlement, or (b) by a majority of the Members of the Association present, a quorum of Members being* present, held by a vote at any annual or special meeting of members, approving such settlement and the reimbursement to such director(s) or officer(s) of such costs and expenses.

*being changed from bring in original document

The original document is a 10 page non-dated document. It has the following notation on each page:
14340A-000002/164962v1