

**DUNBARTON HOMEOWNERS ASSOCIATION
BYLAWS
(As amended August 6, 1979, August 4, 1980, September 18, 1989,
September 15, 1997 - September 18, 2000 and September 14, 2015)**

**ARTICLE I
NAME AND PURPOSE OF THE CORPORATION**

Section 1. Name. This corporation shall be known as Dunbarton Homeowners Association, Inc.

Section 2. Purpose. The corporation has been organized for the following purposes:

- A. To promote the health, safety, and welfare of the owners and residents of the Properties.
- B. To provide for the preservation of the values and amenities of the Properties.
- C. To own, acquire, lease, build, operate and maintain on the Properties recreation facilities, open spaces and there common areas and facilities for the benefit of the residents of the Properties.
- D. To promote fellowship and friendship among its members and to provide an area to hold meetings and social gatherings for the better realization of such purposes.
- E. To provide a forum for the expression of ideas and plans with regard to the improvement of social, recreational and general living conditions in the Properties and to take steps toward the fulfillment of said ideas and plans.

**ARTICLE II
DEFINITIONS**

Section 1. “Association” shall mean and refer to the Dunbarton Homeowners Association, Inc., a non-profit corporation organized and existing under the laws of the State of North Carolina.

Section 2. “The Properties” shall mean and refer to that property encompassed within the outer perimeter of that land shown on the plat entitled Phase I of Dunbarton, dated April 1974, and containing approximately 13.5 acres located on the north side of Dunbarton Circle, together with such additional properties as may hereinafter be brought within the jurisdiction of this corporation by annexation as provided in Article VII, Sections 1 and 2, herein, or pursuant to Article II, Section 2, of the Declaration of Covenants and Restrictions for Dunbarton.

Section 3. “Common Properties” shall mean and refer to those areas of land now or hereafter so designated on any recorded subdivision plat of a portion of the properties or hereinafter deeded to the Association and intended to be devoted to the common use and enjoyment of the owners of the properties, and more particularly shall mean and refer to parks, swimming pools, tennis courts, commons, streets, paths, and shall include buildings, structures and fixtures, equipment and personal properties incident thereto, and any other properties owned and maintained by the Association for the common benefit and enjoyment of the owners and residents of the properties.

Section 4. “Lot” shall mean and refer to any plot of land shown upon any recorded subdivision of the Properties with the exception of the Common Properties as heretofore defined.

Section 5. “Living Unit” shall mean and refer to any portion of a building situated upon the Properties designed and intended for use and occupancy as a residence by a single family, whether as owners or tenants.

Section 6. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon the Properties, but notwithstanding any applicable theory of the deed of trust, shall not mean or refer to the Trustee or cestui que trust unless and until there has been a transfer of title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 7. “Member” shall mean and refer to all those owners who are members of the Association as provided in Article IV, hereof.

ARTICLE III LOCATION

The principal office of the Association shall be located at the office of the current property manager.

ARTICLE IV MEMBERSHIP

Section 1. Every person or entity who is a record owner of a fee simple title or undivided interest in any Lot or Living Unit or undeveloped and undesignated land which is subject by covenants or record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the corporation, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which such assessments are made, as provided by Article V of the Declaration of Covenants and Restrictions or any Supplemental Declaration of Covenants and restrictions to which the Properties are subject.

Section 3. The membership rights of any person whose interest in the Properties is subject to assessments under Article IV, whether or not they may be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, their rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Properties and facilities and the personal conduct of any person thereon, as provided in Article X, Section 1, they may, in their discretion, suspend the rights of any person for violation of such rules and regulations for a period not to exceed thirty (30) days.

**ARTICLE V
VOTING RIGHTS**

Section 1. Every person who is an Owner shall be a Member of the Association. Each Member shall be entitled to one (1) vote per Lot. No more than one vote per Lot may be cast by a Member, regardless of the number of Owners of a given lot.

**ARTICLE VI
PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY**

Section 1. Each member shall be entitled to the use and enjoyment of the Common Properties and facilities, as provided in Article IV of the Declaration of Covenants and Restrictions.

Section 2. Any member may delegate his rights or enjoyment in the Common Properties and facilities to the members of his or her family who reside upon the Properties or to any of his or her tenants who reside thereon under a leasehold interest for a term of three months or more. Such member shall notify the Secretary in writing of the name of any such person and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension under Article IV, Section 3, to the same extent as those of the member.

**ARTICLE VII
POWERS OF THE ASSOCIATION**

Section 1. Additions to the Properties and Membership. Additions to the Properties referred to in Article II, Section 2, may be made only in accordance with the provisions of the recorded Covenants and Restrictions applicable to the Properties. Such additions, when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties and membership of this corporation to such properties. Where the applicable Covenants require that certain additions be approved by this corporation, the approval must have the assent of two-thirds (2/3) of the vote of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance, and shall set forth the purpose of the meeting.

Section 2. Mergers and Consolidations. Subject to the provisions of the recorded Covenants and Restrictions applicable to the Properties referred to in Article II, Section 2, and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance, and shall set forth the purpose of the meeting.

Section 3. Mortgages; Other Indebtedness. The Association shall have power to mortgage its Properties only to the extent authorized under the recorded Covenants and Restrictions applicable to the Properties.

The total debts of the corporation, including the principal amount of such mortgages, outstanding at any time shall not exceed the total of five (5) years' assessments current at that time, provided that authority to exceed said maximum in any particular case may be given by an affirmative vote of two-thirds (2/3) of

the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 4. Dedication. The Association shall have the power to dispose of its real properties only as authorized under the recorded Covenants and Restrictions applicable to said Properties.

ARTICLE VIII BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be managed by a board of seven (7) Directors. At the first annual meeting, the members elected three (3) Directors for a term of three (3) years, two (2) Directors for a term of two (2) years and two (2) Directors for a term of one (1) year. At each succeeding Annual Meeting, the members shall elect Directors for a term of three (3) years to fill the expired terms. Directors may not serve more than two (2) consecutive terms. Directors who have served two (2) consecutive terms may serve again after sitting out one (1) year.

Section 2. Vacancies on the Board of Directors shall be filled by the majority of the remaining Directors and any such appointed Directors shall hold office for the remainder of the unexpired term of their predecessors.

ARTICLE IX ELECTION OF DIRECTORS; NOMINATING COMMITTEE

Section 1. Election of the Board of Directors shall be by written secret ballots as hereinafter provided. At any such election the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded covenants applicable to the Properties. The names receiving the largest number of votes shall be elected. Provided that candidates clearly receiving the most votes are assured an elected term, any tie or ties for the remaining elective vacancies shall be resolved as follows: a subsequent vote shall be conducted during the same meeting by written ballot, with members or their proxies represented at the meeting entitled to vote in order to resolve the tie. Votes shall not be cast cumulatively in any round of voting.

Section 2. Nomination for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the Standing Committees of the Association.

Section 3. The Nominating Committee shall consist of a Chairman who shall be a former member of the Board of Directors, and two or more persons of the Association. The Nominating Committee shall be appointed by the Board of Directors at least ninety (90) days prior to each Annual Meeting of the members.

Section 4. The Nominating Committee shall make as many nominations for election to the Board of Directors as necessary, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members in good standing. Due consideration shall be given to see that there is representation from the entire Dunbarton Community. Additional nominations from the floor may be made at the time of the election.

Section 5. All elections to the Board of Directors at the annual meeting shall be made on a written secret ballot which shall clearly list the names of the persons for whom the vote is being cast. The President or

presiding officer of the annual meeting shall appoint one or more members to count the ballots and report the results. Ballots shall be retained for a period of one (1) year by the secretary.

ARTICLE X POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall have power:

- A. To call special meetings of the members whenever it deems necessary, and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article XIV, Section 2 of these Bylaws.
- B. To govern the Association in accord with the Declaration of Covenants and Restrictions, Articles of Incorporation and Bylaws of this corporation including, without limitation, to appoint and remove at pleasure, all officers, agents and employees of the corporation, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any member, Officer or Director of the Association in any capacity whatsoever.
- C. To establish, levy and assess, and collect the assessments or charges referred to in the applicable Declaration of Covenants and Restrictions, with the provision that any change to the assessment and the basis of calculating the assessment shall be approved by the membership at an Annual Meeting of the Association.
- D. To adopt and publish rules and regulations governing the use of the Common Properties and facilities and the personal conduct of the members and their guests thereon.
- E. To exercise for the Association, all powers, duties and authority vested in or delegated to this organization, except those reserved to the members in the Covenants.
- F. In the event that any member of the Board of Directors of this corporation shall be absent from three (3) regular meetings within a fiscal year of the Board of Directors without an excused absence, the Board may by action taken at the meeting during which the third absence occurs, declare the office of the Director vacant and appoint a replacement per Article VIII, Section 2 of the Bylaws.
- G. To prepare and enforce, directly or indirectly, the rules and regulations governing activities within the boundaries of the Properties. For purposes of enforcement this includes any Dunbarton owner, non-resident owner, resident, lessee or visitor.

Section 2. It shall be the duty of the Board of Directors:

- A. To 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 is requested in writing by one-fourth (1/4) of the voting membership, as provided in Article XIV, Section 2 of these Bylaws.
- B. To supervise all officers, agents, and employees of this organization and to see that their duties are properly performed.

- C. To employ a management company and define their duties and discharge such management as the Directors deem necessary.
- D. To adopt a budget and authorize expenditures.
- E. As more fully provided in Article V of the Declaration of Covenants applicable to the Properties:
 - 1. To fix the amount of the annual assessment against each lot or living unit at least thirty (30) days in advance of the first day of the fiscal year.
 - 2. To prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member.
 - 3. To send written notice of each assessment to every owner subject thereto.

Section 3. The Association shall indemnify any Director, Officer or Committee Member, or former Officer, Director, or Committee Member, against expenses actually and necessarily incurred and for any amount paid in satisfaction of a judgment or in connection with any action, suit or proceedings, whether civil or criminal in nature, in which he has been made a party, by reason of being or having been such a Director, Officer or Committee Member of the Association, unless due to the willful misconduct or bad faith of such Director, Officer or Committee Member.

ARTICLE XI DIRECTORS MEETINGS

Section 1. A regular meeting of the Board of Directors shall be held at least every other month at a day and hour to be established by resolution.

Section 2. Special meetings of the Board of Directors shall be held when called by an Officer of the corporation or by any two Directors after giving not less than three (3) days' notice to each Director.

Section 3. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice of quorum is present and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such a meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 4. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XII OFFICERS

Section 1. The officers shall be a President, a Vice-President, a Secretary and a Treasurer who shall be members of the Board of Directors. In addition, the Board of Directors may elect an Assistant Secretary and/or an Assistant Treasurer, who may not be members of the Board of Directors.

Section 2. The Officers shall be chosen by majority vote of the Directors.

Section 3. Officers shall hold office until a slate is chosen by the newly constituted Board of Directors following each Annual Meeting.

Section 4. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, leases, mortgages, deeds and all other written documents.

Section 5. The Vice-President shall perform all the duties of the President in his or her absence.

Section 6. The Secretary shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. The Secretary or management company if directed by contract, shall sign all certificates of membership. The Secretary shall keep the records of the corporation. The Secretary shall record in a book kept for that purpose the names of all members of the Association together with their addresses as registered by such members.

Section 7. The Treasurer or management company if directed by contract shall be accountable for receiving and depositing in appropriate bank accounts all monies of the Association and for disbursement of such funds as directed by resolution of the Board of Directors, provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board.

Section 8. The Treasurer shall keep, or cause to be kept, proper books of accounts and cause an annual review, compilation or audit of the corporation books to be made by a certified public accountant appointed by the Board, at the completion of each fiscal year. The Treasurer shall prepare an annual income and expense statement and balance sheet to be available to the membership within seventy-five (75) days of the end of the fiscal year. As Chairman of the Budget, Finance and Infrastructure Committee, the Treasurer shall be responsible for the annual budget and schedule of assessments as provided in Article X. The Treasurer shall be responsible for the filing of tax returns as may be required.

Section 9. The Treasurer or management company shall, when necessary, issue a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 10. The Board of Directors shall have the power to determine who shall sign checks on behalf of the corporation.

ARTICLE XIII COMMITTEES

Section 1. The Standing Committees of the Association shall be:

- The Nominating Committee
- The Recreation Committee
- The Architectural Committee
- The Grounds Committee
- The Budget, Finance and Infrastructure Committee
- The Neighborhood Watch and Safety Committee
- The Communications Committee

Unless otherwise provided herein, each Committee shall consist of a Chairman and two or more members and shall include a member of the Board of Directors for Board contact. The Committees shall be appointed by the Board of Directors immediately following the beginning of each fiscal year and announcement thereof made to the membership. The Board of directors may appoint such other committees as it deems desirable.

Section 2. The Nominating Committee shall have the duties and functions described in Article IX.

Section 3. The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the organization and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The Architectural Committee shall have the duties and functions described in Article VII, VIII, and IX, Section 1, of the Declaration of Covenants and Restrictions applicable to the Properties. It shall watch for any proposals, programs, or activities which may adversely affect the residential value of the properties and shall advise the Board of Directors regarding organization action on such matters.

Section 5. The Grounds Committee shall be responsible for modification of the landscape policy as the needs and character of the community dictate and for the maintenance, repair and improvement of the common properties and facilities of the Association, and make recommendations to the Board of Directors accordingly. Its area of interest shall be the maintenance and/or improvement of the appearance of the grounds of the living units and common property. It shall make recommendations to the Board of Directors for the manner in which maintenance is carried out, whether by contract or otherwise.

Section 6. The Budget, Finance and Infrastructure Committee shall be chaired by the Treasurer and will work with the other Committees whose areas of interest represent expense to the Association. They shall meet from time to time as the economy or the character of the needs of the community may warrant review and revision of the schedule of assessments and make recommendations to the Board of Directors accordingly. They shall be responsible for the preparation of the specified annual budget and schedule of assessments. In addition, the committee shall be responsible for recommending any actions needed regarding issues of infrastructure, including but not limited to streets, driveways, parking areas, drainage and water and sewer installations and facility upgrades or replacements.

Section 7. The Neighborhood Watch and Safety Committee shall be responsible for organizing and implementing an effective Neighborhood Watch Program for the Dunbarton Community. The Committee shall advise and make recommendations to the Board on matters of safety.

Section 8. The Communications Committee shall assure that official communications reach all Dunbarton residents in a timely, clear and effective manner.

Section 9. With the exception of the Nominating Committee and the Architectural Control Committee (but then only as to those functions that are governed by Article VIII, Declaration of Covenants and Restrictions applicable to the Properties), each Committee shall have power to appoint a subcommittee from its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 10. It shall be the duty of each Committee to receive complaints from members on any matter involving corporate functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate.

**ARTICLE XIV
MEETINGS OF MEMBERS**

Section 1. The Annual Meeting of the members shall be held in September, on a day, time and place specified in the notice of the meeting..

Section 2. Special meetings of the members for any purpose may be called at any time by the President, the Vice-President, the Secretary or the Treasurer, or by any two or more members of the Board of Directors, or upon written request of members who have a right to vote one-fourth (1/4) of the votes of the membership.

Section 3. Notice of any meetings shall be given to the members by the Secretary. Notice may be given to the member either personally, by delivery to his or her mailbox, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his or her address appearing on the books of the corporation. Each member shall register his or her address with the Secretary and notices of meetings shall be mailed or delivered to him or her at such address. Notice of any meeting, regular or special, shall be sent at least six (6) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided, however, that if the business of any meeting shall involve an election governed by Article IX or any action governed by the Articles of Incorporation or by the Covenants applicable to the Properties, notice of such meeting shall be given or sent as therein provided.

Section 4. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fifth (1/5) of the votes of the membership shall constitute a quorum for any action governed by these Bylaws. Any action governed by the Articles of Incorporation or by the Covenants applicable to the Properties shall require a quorum as therein provided.

Section 5. The President, in his or absence the Vice-President, shall preside at the meetings and the Secretary shall be responsible for recording minutes at the proceedings.

**ARTICLE XV
PROXIES**

Section 1. At all corporate meetings of members, each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his or her home or other interest in the Properties.

**ARTICLE XVI
BOOKS AND RECORDS**

Section 1. The Books, records and papers of the corporation shall at all times, during reasonable business hours, be subject to the inspection of any members.

Section 2. The fiscal year of the Association shall run from October 1 through September 30, as provided in the covenants and restrictions.

**ARTICLE XVII
CORPORATE SEAL**

The corporate seal of the Association shall consist of two concentric circles between which are the words "Dunbarton Homeowners Association, Inc." and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is here adopted as the corporate seal of the Association.

**ARTICLE XVIII
AMENDMENTS**

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of two-thirds of a quorum of members present or by proxy, provided that those provisions of these bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Covenants and Restrictions applicable to the Properties may not be amended except as provided in such Covenants and Restrictions.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Covenants and Restrictions applicable to the Properties referred to in Section 1 and these Bylaws, the Covenants and Restrictions shall control.