

BYLAWS OF THE VILLAGES OF APEX, MASTER ASSOCIATION, INC.

ARTICLE I. NAME AND LOCATION

The name of the Corporation is The Villages of Apex, Master Association, Inc. (the “**Association**”). The principal office of the Corporation shall be located at 800 North Salem Street, Wake County, North Carolina, but meeting of members and directors may be held at such places within the State of North Carolina, County of Wake, as may be designated by the Board of Directors.

ARTICLE II. DEFINITIONS

Section 1. “**Association**” shall mean and refer to the The Villages of Apex, Master Association, Inc., its successors and assigns.

Section 2. “**Properties**” shall mean and refer to that certain real property described in the Master Declaration for Old Mill Village, as amended, and recorded in the office of the Register of Deeds of Wake County, North Carolina.

Section 3. “**Common Areas**” shall mean all real property and improvements located thereon owned by the Association for the common use and enjoyment of the Owners.

Section 4. “**Lot**” shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the properties with the exception of common areas and dedicated roadways.

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, including contract sellers, but excluding those having such interest as security for the performance of an obligation.

Section 6. “**Declarant**” shall mean and refer to Apex First Development, LLC, a North Carolina limited liability company, its successors and assigns.

Section 7. “**Declaration**” shall mean and refer to the Master Declaration for The Villages of Apex, as amended, applicable to the Properties and recorded in the office of the Register of Deeds of Wake County, North Carolina.

Section 8. “**Member**” shall mean and refer to those persons or entities entitled to membership with voting rights as provided in the Declaration and in Article III, Section 1 of these Bylaws.

ARTICLE III. MEMBERSHIP AND PROPERTY RIGHTS

Section 1. *Membership*. The Corporation shall have two classes of members who meet the qualifications of and are approved as set forth in the Declaration.

Section 2. *Property Rights.* Each Member shall be entitled to the use and enjoyment of the Common Area as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Area to the members of his family, his tenants or contract purchasers who reside on the property.

ARTICLE IV. MEETING OF MEMBERS

Section 1. *Annual Meetings.* The first meeting of the Members shall be held within one (1) year from the incorporation of the Association as noticed Thirty (30) days in advance by the Incorporator to the Owner(s), and thereafter with such notice and at such times as determined by the Members at the initial meeting.

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 the one-fourth (1/4) of the Members.

Section 3. *Notice of Meeting.* 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 each notice, postage prepaid, at least 10 days before such meeting to each Member entitled to vote, 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. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of 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, sixty percent (60%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these **Bylaws.**

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. Each proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her lot.

ARTICLE V. BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. *Number.* The number of Directors constituting the initial Board of Directors shall be five, with a minimum of three, and the names and addresses of the persons who are to serve as Directors until the first meeting of the Corporation, or until their successors to be elected and qualify, are:

Name	Address
Michael Howington	111 Devon brook Lane Cary, NC 27518
Wendy Howington	111 Devon brook Lane Cary, NC 27518

continued

Name	Address
George King	403 Edinburgh Dr Cary, NC 27511
Mark Wade Gramling	201 Modena Dr Cary, NC 27573
Rick Cattano	201 Howell Rd Apex, NC 27523

The members of the Board of Directors need not be Members of the Association.

Section 2. *Term of Office.* At the first annual meeting, the Members shall elect two Directors for a term of three years, two Directors for a term of two years, and one Director for a term of one year or until the respective successors are properly chosen. Thereafter these terms shall continue in effect to provide for staggered terms.

Section 3. *Removal.* Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be elected 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 as a Director. 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 by a Nominating committee. Nominations for election to the Board 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 or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nomination 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, 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 Meeting.* Regular meetings of the Board of Directors shall be held quarterly, or at such other periodic intervals as may be established by the Board of Directors from time to time, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. *Special Meeting.* Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two 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 an act of the Board.

ARTICLE VIII. 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 Areas, and the personal conduct of the Members, and their guests thereon;

(b) suspend the voting rights and any other 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 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;

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

(f) employ attorneys to represent the Association when deemed necessary.

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 any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members;

(b) supervise all officers, agents and employees of the 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) 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 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 insurance covering the Association, its directors, officers, agents and employees and to procure and maintain adequate hazard insurance on any real and personal property owned by the Association;

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

(g) cause the Common Areas to be maintained.

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, 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 be 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, from time to time, 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 by 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, and unless 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 offices except the offices of Secretary and Treasurer and the 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 order and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign all checks and promissory notes.

(b) *Vice-President.* The Vice-President shall act in the place and stead of the President in the event of his absence, disability 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 all of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings to the Board and the Association together with their addresses; 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 authorize payment of books of account; and shall prepare an annual budget and a statement of income expenditures to be presented to the membership at its annual meeting and deliver a copy of each to the Members.

ARTICLE X. COMMITTEES

The 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 purpose.

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 Declaration, the Articles of Incorporation and the Bylaws shall be maintained at the 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, the assessment shall bear interest from the date of delinquency at the maximum rate allow by law, 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 the 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: Old Mill Village, Master Association, Inc., Wake County, North Carolina.

ARTICLE XIV. GENERAL AND MISCELLANEOUS PROVISIONS

Section 1. These Bylaws may be amended, at regular or special meeting of the Members, by a vote of three-fourths (3/4) of all Members.

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.

Section 3. 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.

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CERTIFICATION

I, the undersigned, do hereby certify:

That I am duly elected and acting Secretary of The Villages of Apex, Master Association, Inc., a North Carolina Non-Profit Corporation; and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the _____ day of August, 2008.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of August, 2008.

(Corporate Seal)

Secretary