

**BY-LAWS OF
COLONY PARK ASSOCIATION**

**ARTICLE I
MEMBERSHIP**

SECTION 1. Persons eligible for membership: The owner of record of any lot in "COLONY PARK" as shown on a plat of COLONY PARK recorded in the Office of the Register of Deeds, Durham County; provided such lot is subject to the charge established in Article Seven of that certain DECLARATION OF RESTRICTIONS AFFECTING "COLONY PARK" PROPERTY OF HERNDON BUILDING COMPANY, DURHAM COUNTY, NORTH CAROLINA, dated June 12, 1962, and any Supplemental Declaration as defined therein, as may appear of record in the Office of the Register of Deeds, Durham County; and provided further that no person or corporation taking title as security for the payment of money of the performance of any obligation shall hereby become entitled to membership.

SECTION 2. Certificate Holders: Persons eligible for membership shall be entitled to hold a certificate or certificates for membership upon the payment of all charges due the Association, unless rights have been suspended or terminated as described in Section 4. Only a certificate holder may exercise the rights of membership in the Association, including the voting power arising therefrom and the use of common property.

SECTION 3. Voting rights of certificate holders: There shall be one vote for each such lot.

SECTION 4. Termination of rights of membership: Membership shall lapse and terminate when any member shall cease to be the owner of record of such a lot. In addition, the Board of Directors shall have the authority to terminate or suspend the privileges of membership of any certificate holder who does not pay the charges due the Association provided under Article II hereunder. In the event of termination, the certificate of such holder shall be cancelled upon the records of the Association and neither the Association nor any of its members shall be liable to the former member whose membership is so terminate for any distributed share of the Association's assets or otherwise. Termination of membership shall in no way relieve the lot owner of the obligation to pay the charges due the Association nor in any way affect the lien of such charges upon the lot.

When any delinquent charges are fully paid, the member whose membership has been terminated in accordance with this by-law, may apply to the Association for reinstatement and the membership may be reinstated upon such conditions as the Board of Directors shall deem fair and equitable under the circumstances.

SECTION 5. Property Rights: Each certificate holder shall have such interest in the property owned by the Association as is represented by the ratio of the number of votes to which said member is entitled, to the total number of votes in the Association. Such interest is and shall be appurtenant to the lot or lots which qualify the person for membership in the Association, and upon sale or other transfer of any lot, the pro rata property interest shall pass to the successor in title to the lot; and neither the Association nor any of its members shall be liable to the retiring member (i.e. the former lot owner) for any distributive share of the Association's assets or otherwise.

**ARTICLE II
CHARGES DUE THE ASSOCIATION**

SECTION 1. Amount: No membership or association fee shall be charged, nor shall members be required to pay at any time any amount to carry on business for this corporation, except to pay annually the charges set forth in the Declaration of Restrictions Affecting "COLONY PARK" dated the 12th day of June, 1952, executed by Herndon Building Company and recorded on the 18th day of June, 1962, in the Office of the Register of Deeds of Durham County, North Carolina, or as set forth in any Supplemental Declaration thereto.

SECTION 2. The charge due the Association by each lot owner shall be fixed by the Directors in accordance with Article Seven of said Declaration of Restrictions Affecting "COLONY PARK". The charge shall be due on the first of January and become past due on the first of June of each year. As soon as practicable after the first day of April of each year, the Directors shall notify each certificate holder the charge due by such holder and this charge shall be recorded in a book kept for that purpose in the registered office of the Association and said book of charges shall be open to the inspection of any certificate holder at reasonable business hours. The charge shall never exceed the limitations placed thereon by Article Seven of said Declaration of Restrictions.

ARTICLE III
USE OF PARKS, PLAYGROUNDS, AND OTHER
FACILITIES BELONGING TO COLONY PARK ASSOCIATION

SECTION 1. Limitations: Use and enjoyment of all facilities belonging to the Association shall be limited to the members and their invited guests when accompanied by a member. In this connection, membership shall include the head of the household and his or her immediate family.

SECTION 2. Damages: A member shall be responsible for damages to the Association's property caused by the member, anyone in his family, or any of his or their guests.

SECTION 3. Suspension of privileges of using facilities: In the event of misuse of any of the Association's facilities, the member responsible for such misuse may, upon majority vote of the Board of Directors of the Association, be denied the use of said facilities for such time as in the opinion of the Directors is necessary to ensure that the member will not misuse the facilities in the future. Neither the Association nor any member shall be liable to the suspended member on account of any such suspension or restriction.

ARTICLE IV
MEETING OF MEMBERS

SECTION 1. Annual meeting: The annual meeting of the members shall be held before the end of May of each year, at a time and place in Durham County designated by the President.

SECTION 2. A special meeting of the members may be held at any time upon the call of the President, or from the call of any four Directors, or upon the call of members having at least one-fifth of the votes entitled to be cast at such meeting.

SECTION 3. Notice of Meetings: Notice of regular and special meetings shall be given by the Secretary of the Association, by mailing to each certificate holder at the address shown on the records of the Association, a written or printed notice thereof specifying the time and place of such meeting, and in case of special meetings, the business to be transacted. Such notice shall be mailed to said address not less than ten days before any such meeting, and the mailing of such notice shall be sufficient and no further publication or notice shall be necessary.

SECTION 4. Waiver of notice: Notice of the time, place, or purpose of any meeting of members shall be dispensed with if every certificate holder shall attend such meeting either in person or by proxy or if every absent certificate holder shall in writing either before or after the holding thereof waive such notice.

SECTION 5. Quorum: Members having at least twenty-five percent of the total number of votes entitled to be cast at such meeting shall if present in person or proxy constitute a quorum at a meeting of the members.

SECTION 6. Order of Business: The order of business at the annual meeting and so far possible at all other meetings with the membership shall be (a) calling the roll, (b) reading the notice of a meeting or the waiver

thereof, (c) reading of the minutes of the last meeting and approval thereof, (d) presentation of and action upon reports of officers, (e) unfinished new business, and (h) adjournment.

ARTICLE V BOARD OF DIRECTORS

SECTION 1. The original directors named in the Articles of Incorporation of this corporation shall hold office until the next annual meeting thereafter and until their successors are elected.

SECTION 2. Number and Term of Office: The Board of Directors shall consist of eight members, four of whom shall be elected at each annual meeting to serve for a two year term. With this approach, continuity from one year to the next is preserved as half the board remains the same from year to year. The Board may divide the membership area into a number of districts equal to the number of members of the Board and provide for the election of one director who resides in each district. In such case, the member shall be allowed to vote only in the election of the director representing the district wherein the member resides. The number of directors may be enlarged or reduced by a majority vote of the Board of Directors to secure a more adequate and fair representation of the membership. The districts are to be based primarily on population, with service to the membership being the deciding factor.

SECTION 3. Vacancy: In case of a vacancy, a new director shall be elected by the remainder of the board to fill out the unexpired term. In the event the board established election of directors by districts, the residence of the director shall be in the same district as was the residence of the director who created the vacancy.

SECTION 4. Compensation of the Directors: The directors are to receive no compensation whatsoever.

SECTION 5. Annual Meeting of Directors: Upon adjournment of the annual meeting of the members, an annual meeting of the Board of Directors shall convene without notice for the purpose of electing officers.

SECTION 6. Regular Meeting: Regular meetings of the directors shall be held at least once per quarter at a time and place to be designated by the President at least five days in advance. A copy of the minutes may be sent to each member if the board considers the sending sufficiently informative and beneficial to the members to warrant the financial expenditure.

SECTION 7. Special Meetings: The special meetings of the Board of Directors may be called by the President or by four of the members of the Board of Directors at a time and place designated in the call.

SECTION 8. Notice: Notice of both regular and special meetings shall be mailed by the Secretary to each member of the Board of Directors not less than five days before any such meeting. Notice shall be waived if all directors attend the meeting or if every absent director, in writing before or after the meeting, waives notice.

SECTION 9. Quorum: Five members of the Board of Directors shall constitute a quorum for the transaction of business.

SECTION 10. Officers: The President shall serve as Chairman of the Board of Directors and preside at meetings of the board, and the Secretary shall act as Secretary at such meetings. If neither the President nor Vice-President is present, a temporary presiding officer may be elected by a majority vote of those directors present, providing there is a quorum. If the Secretary is absent, the presiding officer shall appoint a temporary Secretary for the meeting.

SECTION 11. Order of Business: The order of business at any regular or special meeting of the Board of Directors shall be: (a) calling the roll, (b) reading the notice of meeting or waiver thereof, (c) reading and

approving the minutes, (d) presentation and action upon reports of officers, (e) unfinished business, (f) new business, and (g) adjournment.

ARTICLE VI OFFICERS

SECTION 1. Number and Selection: The officers of this corporation shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall at all times be members of the Board of Directors, and such other officers as the Board of Directors may from time to time by resolution create.

SECTION 2. The officers of this corporation, except such officers as may be appointed in accordance with Sections 3 and 5 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his office for such period of one year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

SECTION 3. The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors, may from time to time, determine.

SECTION 4. Any officer may be removed from office either with or without cause by a majority of the Directors at time in office at any annual, regular, or special meeting of the Board. Any officer may resign at any time by giving a written notice to the Board of Directors, or to the President, or the Secretary of the corporation. Any such resignations shall take effect at the date of the 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 5. A vacancy in any office because of death, resignation, removal, disqualification, or other cause shall be filled in the manner prescribed in the By-Laws for regular appointment to such office.

SECTION 6. The offices of Secretary or Assistant Secretary, and Treasurer may be held by the same person.

ARTICLE VII PRESIDENT

SECTION 1. The Board of Directors shall at their first regular meeting elect one of their number to act as President, and shall also at said meeting elect a Vice President.

SECTION 2. If at any time the President shall be unable to act, the Vice President shall take his place and perform his duties. If the Vice President, for any cause, shall be unable to act the Board of Directors shall appoint some member of the Board to act, in whom shall be vested for the time being, all the duties and functions of the President.

SECTION 3. The President, or the Vice President, or in the absence or inability to act of both the President and Vice President, the Director appointed as above provided

- (a) Shall preside over all meetings of the members and of the Board of Directors.
- (b) Shall sign as President of all deeds, contracts and other instruments in writing which have been first approved by the Board of Directors.
- (c) Shall call the Directors together whenever he deems it necessary and shall have, subject to the advice of the Board of Directors, general supervision, direction and control of the business affairs of the corporation, and generally shall discharge such other duties as may be required of him by the Board of Directors.

ARTICLE VIII
VICE PRESIDENT

SECTION 1. All duties and powers required by law, or by these By-Laws of, and all powers conferred by law or by these By-Laws upon the President shall, in his absence, inability or refusal to act be performed by the Vice President.

ARTICLE IX
SECRETARY AND ASSISTANT SECRETARY

SECTION 1. The Board of Directors shall elect a Secretary, and it shall be the duty of the Secretary

- (a) To keep a record of all meetings and proceedings of the Board of Directors, and of all the members.
- (b) To keep the corporate seal of the corporation, and to affix it on all papers requiring the seal of the corporation.
- (c) To keep proper books.
- (d) To serve notices of meetings of the Board of Directors and the members required either by law or by the By-Laws of this corporation.
- (e) To keep appropriate records showing the members of the corporation together with their addresses as furnished him by such members.

SECTION 2. The Board of Directors may appoint an Assistant Secretary who, in case of the absence, inability or refusal to act of the Secretary, shall perform the duties of the Secretary.

SECTION 3. The Assistant Secretary shall also perform such other duties as may be required of him by the Board of Directors.

ARTICLE X
TREASURER

SECTION 1. The Treasurer shall receive and deposit in such bank or banks as the Board of Directors may, from time to time, direct all of the funds of the corporation, which funds shall be withdrawn by such officer or officers as the Board of Directors shall, from time to time, designate.

ARTICLE XI
PROXIES

SECTION 1. A proxy to be valid shall be in writing and signed by the certificate holder and shall be filed with the Secretary.

ARTICLE XII
AMENDMENTS

SECTION 1. By Board of Directors: These By-Laws may be amended, repealed, or altered by a two-thirds majority vote of those Directors at a meeting of the Board of Directors, a quorum being present, provided the call for such meeting shall contain a statement that the By-Laws or amendments will be voted upon at such a meeting. No such statement shall be required as a condition to amendment of the By-Laws at an annual meeting of the Board of Directors. The membership of the Association must be notified within thirty days following the amendment, repeal, or alteration of these By-Laws by the Board of Directors.

SECTION 2. By Membership: By vote or written assent of a majority of the votes of certificate holders entitled to vote, or the vote of a majority of a quorum at a meeting duly called for such purpose these By-Laws may be amended, repealed, or altered.

SECTION 3. Limitation on Charge Due the Association: Neither the Board of Directors nor the membership may, unless by unanimous consent of the membership, fix the charge due the Association in an amount above that stated to be the maximum for such charge in Article Seven of said Declaration of Restrictions affecting "COLONY PARK".

ARTICLE XIII

This Association is organized and shall at all times be operated as a club and exclusively for recreation and amenity of its members and it shall at all times be operated only for non-profit purposes and as a non-profit corporation under the General Statutes of North Carolina and none of its revenue shall inure to the benefit of any private member.

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I, Kristina Sigmon, the duly qualified and elected acting President of "COLONY PARK" Association do hereby certify that the foregoing are the By-Laws of "COLONY PARK" Association as amended on **November 1, 2007**, following proposal by the Board of Directors, discussion at the annual meeting of "COLONY PARK ASSOCIATION" held on May 7, 2007, and voting to establish majority endorsement of each modification.

In witness whereof, I have hereunto set my hand and seal this _____ day of _____, 2007.

President