

Stoneridge Association Bylaws

1. History of Stoneridge Association/Relationship to Proprietors.

A. Stoneridge Association ("**Stoneridge Association**") is an unincorporated homeowners association consisting of 26 townhouses (each hereinafter a "**Stoneridge Townhouse**") on 26 lots (each hereinafter a "**Stoneridge Lot**") located on Stoneridge Circle and Stoneridge Place in the Colony Hill neighborhood of Durham, NC.

B. A "**Stoneridge Unit**" refers to a Stoneridge Townhouse built on a Stoneridge Lot.

C. Since the Stoneridge Townhouses were built in the 1970s, Proprietors of Colony Hill, Inc. (hereinafter "**Proprietors**") has delegated to Stoneridge Association the responsibility for the implementation and enforcement of many of the provision of the Declaration of Proprietors Covenants and Restrictions of Proprietors (hereinafter the "**Proprietors Covenants**") dated July 24, 1973, and amended on December 5, 1973, May 23, 1974, and July 26, 1974. Such delegation is specifically authorized in Article X, Section 3 of the Proprietors Covenants.

D. Stoneridge Association has accepted responsibility for assessment and maintenance of the Stoneridge Units, including repairs to roofs and gutters, periodic exterior painting of siding and authorized fences, and grounds maintenance of the Stoneridge Lots.

E. Proprietors continues to be responsible for lighting and private road maintenance of Stoneridge Circle and Place, as well as maintenance of common areas owned by Proprietors (hereinafter "**Common Areas**") around the Stoneridge Lots. Proprietors relies on Stoneridge Association to make recommendations regarding enforcement of the Architectural Control provisions (concerning buildings and grounds) contained in Article VII of the Proprietors Covenants as they relate to the Stoneridge Units, but Proprietors retains the right to final approval or disapproval of proposed exterior changes.

2. Incorporation by Reference of Proprietors Covenants and Proprietors Bylaws.

Stoneridge Association operated for many years without formal written bylaws. These Stoneridge Bylaws incorporate by reference the Proprietors Covenants and Proprietors Bylaws and the long-standing practice of the governance of Stoneridge Association. In any case where these Stoneridge Bylaws conflict with the Proprietors Covenants or Proprietors Bylaws, the Proprietors Covenants and Proprietors Bylaws shall prevail.

3. Members of Stoneridge Association also Members of Proprietors and Owners.

A. The members of Stoneridge Association ("**Stoneridge Members**") are those members of Proprietors who are also owners of record of Stoneridge Units. All Stoneridge Members are also Members of Proprietors and of Owners of Colony Hill, Inc. (hereinafter "**Owners**").

B. Owners manages the pond area and the pool, clubhouse, tennis courts and playground facilities of the Colony Hill neighborhood. One (1) Stoneridge Member, nominated by the Stoneridge Board immediately following the Stoneridge Annual Meeting, sits on the 8-member Owners Board for a one-year term.

C. Three (3) Stoneridge Members sit on the 9-member Proprietors Board in staggered 3-year terms. The President, Vice President and President-elect, and Immediate Past President of Stoneridge Association, are the three Stoneridge Members on the Proprietors Board.

4. **Voting.** Voting shall be by Stoneridge Unit rather than by Stoneridge Member. Whenever voting of the Stoneridge Members is required or permitted, each Stoneridge Unit shall have one vote. All record owners of a Stoneridge Unit shall agree among themselves on the vote of the Stoneridge Unit, but in no event shall the owners of one Stoneridge Unit have more than one collective vote. If a record owner or owners own more than one Stoneridge Unit, those owners collectively have as many votes as the Stoneridge Units they collectively own.

5. Stoneridge Annual Meeting.

A. **Date and Place of Stoneridge Annual Meeting.** An annual meeting (hereinafter “**Stoneridge Annual Meeting**”) of Stoneridge Members shall be held on the first Monday of the month of November at 7:00 p.m., normally at the Colony Hill Clubhouse; provided, however, that if for any reason the Stoneridge Board (as hereinafter defined) determines that the Stoneridge Annual Meeting cannot be held on the first Monday of November or cannot be held at the Colony Hill Clubhouse, then the Stoneridge Board shall select another date and/or place, but in no event shall the Stoneridge Annual Meeting be held after the annual meetings of Proprietors and Owners, both of which are usually held on the second Monday of November.

B. **Notice of Stoneridge Annual Meeting.** The Secretary shall send out notice of the time and place of the Stoneridge Annual Meeting to all Stoneridge Members by written paper and e-mail notice on or about October 15 of each year. The written paper notice shall attach 1) an agenda for the meeting, 2) annual financial statements, 3) minutes of the previous Stoneridge Annual Meeting if not previously distributed, 4) General Proxy forms and 5) the report of the Nominating Committee as described below.

C. **Voting.** Voting of Stoneridge Units shall be by Stoneridge Member in person or by proxy at the Stoneridge Annual Meeting .

D. **Quorum.** A quorum shall consist of fourteen (14) Stoneridge Units present in person or by proxy.

6. **Governance by a Board of Directors.** Stoneridge Association shall be governed by a Board of Directors (hereinafter the “**Stoneridge Board**”), consisting of five (5) directors (“**Directors**”), further consisting of a President, Vice President and President-elect, Immediate Past President, Treasurer, and Secretary.

7. Nomination, Election and Terms of the Stoneridge Board of Directors and Stoneridge Nominee to Proprietors.

A. Nominating Committee. On or about September 1 of each year, the President of the Stoneridge Board shall appoint a Nominating Committee, composed of the Immediate Past President as Chair, and two other Stoneridge Members, neither of whom shall be Directors of Stoneridge, Proprietors or Owners Boards. The Chair of the Nominating Committee shall then promptly send out a notice to all Stoneridge Members by written paper and e-mail notice, identifying the members of the Nominating Committee and inviting Stoneridge Members to indicate an interest in serving for positions on the Stoneridge Board. The Nominating Committee shall then nominate five (5) Stoneridge Members to serve one-year terms as Directors on the Stoneridge Board, designating them for their positions as:

President;
Vice President and President-elect and Stoneridge nominee to the Proprietors Board;
Immediate Past President;
Treasurer; and
Secretary;

provided, the Nominating Committee 1) shall nominate the previous year's Vice President and President-elect to be Stoneridge President, unless the Vice President and President-elect shall decline to serve as President, and 2) shall nominate the previous year's President to be Immediate Past President, unless the outgoing President shall decline to serve as Immediate Past President; and further provided, that, absent unusual circumstances, no Stoneridge Member shall be nominated for President, Vice President and President-elect or Immediate Past President for more than one consecutive term.

B. Election at Stoneridge Annual Meeting. Directors shall be elected to the Stoneridge Board at the Stoneridge Annual Meeting (held on the first Monday of November) by a majority of Stoneridge Members voting at the Stoneridge Annual Meeting in person or by proxy. In addition to the nominations from the Nominating Committee, nominations for Directors and any officer shall be received from any Stoneridge Member at the Stoneridge Annual Meeting.

C. Terms. Each Director shall serve for a term ending when the next Stoneridge Annual Meeting is held; provided, however, that the Vice President and President-elect and the President shall agree to be renominated to serve an additional year as President and Immediate Past President, respectively.

D. Vacancies. In the event that a Director of the Stoneridge Board is unable or unwilling to continue serving for any reason, the Board shall report the vacancy to the most recently constituted Nominating Committee, which shall recruit a replacement for the vacancy on the Stoneridge Board from among the Stoneridge Members. In the event that any Director is unable to fulfill the Director's responsibilities as required under these Bylaws, the Stoneridge Board may, by majority vote of the remaining Directors, declare a vacancy on the Stoneridge Board and report the vacancy to the Nominating Committee.

8. Special meetings of Stoneridge Members. The President may call a special meeting of Members at any time to discuss specific issues which have been identified as important to Stoneridge Association. The President shall call a special meeting of Members to discuss any issue of importance to Stoneridge Association when requested to do so by any two (2) Directors or any six (6) Stoneridge Members who are not Directors. Notice of any special meeting and its agenda shall be given by written paper and e-mail notice no later than one week prior to such special meeting. Only topics on the announced agenda may be discussed or acted upon at a special meeting of Stoneridge Members.

9. Powers and Duties of the Board of Directors.

A. Powers. The Board shall have the power

- 1) To levy assessments in accord with the Proprietors Covenants and Proprietors Bylaws and these Bylaws.
- 2) To prepare and enforce, in cooperation with the Proprietors, the rules and regulations governing the activities occurring on Stoneridge Circle, Stoneridge Place, Stoneridge Units and the Common Areas (see definitions in Paragraph one (1) hereof), including the imposition of fines as permitted in Article X, Section 4 of the Proprietors Covenants and Article X, Section 1 of Proprietors Bylaws.
- 3) To take such actions as shall preserve the habitability and market value of Stoneridge Units, and the safety of the Members. Examples of such actions include maintaining uniform appearance of Stoneridge Units, requiring proper exterior maintenance and safety inspections of Stoneridge Units, requiring fire wall and other repairs to ensure protection of Stoneridge Units against fire, ensuring proper community drainage, and monitoring land development in the vicinity of Stoneridge.

B. General Duties. It shall be the duty of the Stoneridge Board:

- 1) To send written paper and e-mail notice of each assessment to every Member subject thereto.
- 2) To keep proper records of Stoneridge Association, including a hard paper copy of the minute book of Stoneridge Board meetings, Stoneridge Annual Meetings, special meetings of Stoneridge Members, and Financial Statements, and make all such records available to any Stoneridge Member for inspection at any reasonable time.
- 3) To employ and discharge such management (“**Stoneridge Manager**”) as the Directors deem necessary to assist the Stoneridge Board, to require evidence of insurance from the Stoneridge Manager covering third-party liability and adequate protection from loss of Stoneridge Association funds, and to conduct an annual review of the Stoneridge Manager.
- 4) To assure that adequate financial controls are in place concerning all of the funds of Stoneridge Association on deposit with a financial institution or the Stoneridge Manager.

- 5) To cooperate with Proprietors to enforce the Proprietors Covenants and Proprietors Bylaws, including the provisions concerning Architectural Control.
- 6) To coordinate with Owners to ensure proper grounds maintenance of the pond, clubhouse, play area and tennis courts;
- 7) To coordinate with Proprietors to ensure proper lighting and maintenance of Stoneridge Circle and Stoneridge Place roads, and to ensure proper grounds maintenance of the Common Areas;
- 8) To communicate to Stoneridge Members by written paper and e-mail notices information concerning Stoneridge Association which may be of interest or importance to the Stoneridge Members.

C. Stoneridge Nominee to Owners.

Immediately following the Stoneridge Annual Meeting, the Stoneridge Board shall nominate a Stoneridge Member to be the Stoneridge Nominee to the Owners Board. The Stoneridge Nominee to the Owners Board may be nominated for more than one consecutive term on the Owners Board.

D. Architectural Control Powers and Duties.

The Stoneridge Board shall have the power to appoint an Ad Hoc Architectural Control Committee for the purpose of drafting Architectural Control Guidelines for Stoneridge Association. It shall be the duty of the Stoneridge Board:

- 1) to assist Proprietors in the enforcement of the Architectural Control provisions of the Proprietors Covenants and Proprietors Bylaws, as further explained in Paragraph twelve (12) of these Stoneridge Bylaws;
- 2) to receive written proposals and plans (hereinafter “**Proposals**”) from Stoneridge Members for exterior changes (including decorations and landscaping) to Stoneridge Units;
- 3) to review at regular or special meetings of the Stoneridge Board all Proposals submitted by Stoneridge Members;
- 4) to report its recommendations to the Proprietors Board, with a copy to the Stoneridge Member, in paper and e-mail writing as soon as possible, but no later than fourteen (14) days after receipt of the Proposal;
- 5) take such action as it deems appropriate to obtain the support of the Proprietors Board in enforcing the recommendations of the Stoneridge Board.
- 6) Notify in paper writing any Stoneridge Member whose Stoneridge Unit is in violation of the Architectural Control provisions of the Proprietors Covenants.

10. Stoneridge Board Meetings.

A. Time and Place. Meetings of the Stoneridge Board shall be held at such times and places as the President shall determine; provided, however, that the President shall call a Stoneridge Board meeting whenever requested to do so by any other two (2) Directors, or by six (6) Stoneridge Members who are not Directors, and that in the event the President does not call a meeting when requested to do so, then any other Director may call a meeting of the Stoneridge Board, designating the time and place of the meeting. In the event that a meeting of the Stoneridge Board is called which the President is unable or unwilling to attend, another Director shall be designated by the Stoneridge Board to be the “**Presiding Officer**.”

B. Quorum. Three (3) Directors shall constitute a quorum for all meetings of the Stoneridge Board.

C. Notice. The President or other Director of Stoneridge Association shall give at least two (2) days’ notice by e-mail and telephone of any meeting to all other Directors and to any Stoneridge Member who requests notification of Stoneridge Board meetings.

D. Right to Attend and Speak. Any Stoneridge Member may attend any meeting of the Stoneridge Board, and the President or Presiding Officer shall permit any Stoneridge Member to address the Board for a reasonable time at any Board meeting. No Stoneridge Member may speak at a Stoneridge Board meeting other than as permitted by the President or Presiding Officer of the Stoneridge Board. The Stoneridge Board may invite the Stoneridge Manager to attend Stoneridge Board meetings.

11. Stoneridge Officers. Each of the five (5) Directors of the Stoneridge Board shall serve as one of the following five (5) Officers of Stoneridge Association for their terms on the Stoneridge Board, which begin and end on each Stoneridge Annual Meeting:

A. President. The President shall

- 1) be responsible for the general function of the Stoneridge Board and shall set the agenda and preside at all meetings of the Stoneridge Board attended by the President;
- 2) oversee, along with the Secretary and the Treasurer, the work of the Stoneridge Manager to ensure that the Stoneridge Manager fulfills its management obligations;
- 3) continue to serve out the three-year term on the Proprietors Board (begun as Vice President and President-elect) after the one-year term of the President of Stoneridge Association has expired (so that each of the three members of the Proprietors Board from Stoneridge Association shall be the current President, the Immediate Past President, and the Vice President and President-elect of Stoneridge Association).

- 4) receive notices of all Owners Board meetings, be responsible to ensure that a representative from Stoneridge attends each meeting of the Owners Board, and, if possible, attend all Owners Board meetings along with the Stoneridge Nominee to the Owners Board.
- 5) ensure the implementation of the duties of the Stoneridge Board regarding Architectural Control and assist Proprietors in enforcing the Architectural Control Provisions of the Proprietors Covenants.
- 6) communicate at least twice each year (in addition to the communications about each Stoneridge Annual Meeting) by written paper and e-mail to Stoneridge Members. The first communication shall occur within a short time after the Stoneridge Annual Meeting and shall provide a hard paper copy of the minutes of the Stoneridge Annual Meeting along with financial statements. The second communication shall occur midyear and provide information on the activities of the Stoneridge Board.

B. Vice President and President-elect. The Vice President and President-elect shall

- 1) assist the President of Stoneridge Association in the general duties of the President, and shall be the Presiding Officer at any Stoneridge Board meetings attended by the Vice President and President-elect and not attended by the President.
- 2) be a Stoneridge nominee to the Proprietors Board, and after election by Proprietors, shall serve on the Proprietors Board concurrently with serving on the Stoneridge Board.
- 3) be the nominee for President of Stoneridge Association in the year immediately succeeding the year of service as Vice President and President-elect.

C. Immediate Past President. The Immediate Past President shall serve on the Stoneridge Board (and shall continue on the Proprietors Board) for one year following the year of the Stoneridge Member's terms as President of Stoneridge Association. The Immediate Past President shall also serve as Chair of the Nominating Committee as provided herein.

D. Treasurer. The Treasurer shall work with the President and Stoneridge Manager to ensure for Stoneridge Association:

- 1) the collection of assessments and the payment of bills;
- 2) the preparation of an annual budget and balance sheet statement;
- 3) the maintenance of proper records and accounts;
- 4) the selection of a fiscal year and the filing of timely tax returns;
- 5) the annual evaluation of the Stoneridge Manager;

6) the adequate bonding of the Stoneridge Manager to protect against the loss of Stoneridge Association funds in the custody of the Stoneridge Manager.

E. Secretary. The Secretary shall work with the President and the Stoneridge Manager

- 1) to assure that the minutes are written and stored, including a paper copy of all minutes in the Stoneridge Minute Book, of the Stoneridge Board meetings, Stoneridge Annual Meetings, and special meetings of Stoneridge Members;
- 2) to distribute to all Stoneridge Members written paper copies of the minutes of the Stoneridge Annual Meeting within two weeks following the Stoneridge Annual Meeting;
- 3) to ensure the distribution of timely written paper and e-mail notices of the Stoneridge Annual Meeting and special meetings of Stoneridge Members, accompanied by the supporting documentation required by these Bylaws.

12. Architectural Control.

A. Article VII of the Proprietors Covenants. The Architectural Control provisions governing Stoneridge Units are contained in Article VII of the Proprietors Covenants, which states:

“Review by Committee. No building, fence, wall or other structure shall be commenced, erected or maintained upon The Properties by other than the Developer, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Proprietors, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said board, or its designated committee, fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been complied with fully. The Proprietors shall have the right to bring action to enjoin any activity taken in violation of this Article.

“No planting, object or landscaping change or addition from the original condition shall be made on a lot (other than on the inside of a fenced area) until the plans and description thereof shall have been submitted to and approved in writing as to harmony of appearance in relation to the surrounding area by the Board of Directors of the Proprietors, or by an by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said board, or its designated committee, fail to approve or disapprove such design and location within thirty (30) days after said plans and description have been submitted to it, approval will not be required and this Article will be deemed to have been complied with fully. The Proprietors shall have the right to bring action to enjoin any activity taken in violation of this Article.”

B. Article XIII of the Proprietors Bylaws. Article XIII of the Proprietors Bylaws creates an Architectural Control Committee whose duties are to “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.” It has been the usual practice that the entire Proprietors Board serves as the Architectural Control Committee of Proprietors.

C. Stoneridge Members to Obtain Prior Approval for All Exterior (including Landscaping) Changes. Any Stoneridge Member wishing to make any exterior (including landscaping) change, other than those specifically permitted under the Proprietors Covenants, to a Stoneridge Unit, shall submit a Proposal (as that term is defined in paragraph ten (10) of these Stoneridge Bylaws) for any such proposed exterior changes to the Stoneridge President for review by the Stoneridge Board. Such Proposal shall be submitted prior to making any exterior change, and prior to or concurrent with the submission of the Proposal or any similar Proposal to the Proprietors Board.

13. Maintenance Policy. The Stoneridge Association Maintenance Policy adopted in September 1999 is attached and incorporated by reference into these Bylaws.

14. Parking Easement. The only document specifically addressing parking on Stoneridge Circle and Place is the “Easement” dated May 23, 1974 by Colony Company, the former development of the Colony Hill area (hereinafter the “**Easement**”). Copy of the Easement is attached.

15. Amendment (Changes) to these Bylaws. These Bylaws may be amended (changed) at any Annual Meeting by a vote to amend in person and proxy by at least fourteen (14) Stoneridge Units.