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**BYLAWS**  
**OF**  
**WOODLAKE OWNERS' ASSOCIATION CORPORATION**

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**BYLAWS**  
**OF**  
**WOODLAKE OWNERS' ASSOCIATION CORPORATION**

These Bylaws should be read in conjunction with that certain Amended and Restated Declaration dated January 31, 1995, recorded in Book 6659, Page 700, in the office of the Register of Deeds, Wake County, North Carolina, as amended by that certain First Amendment to Amended and Restated Declaration dated September 29, 1998, recorded in Book 8155, Page 912 (the "Declaration"). In the event of any conflict between these Bylaws and the Declaration, the terms of the Declaration shall govern. Any defined terms used and not defined herein, shall have the meaning given to such term in the Declaration.

**ARTICLE 1**  
**Registered Office**

Woodlake Owners' Association Corporation, a North Carolina nonprofit corporation (the "Corporation"), shall have at all times within the State of North Carolina a registered office and a registered agent. The Corporation may have other offices within the State of North Carolina as may be determined from time to time by its Board of Directors (the "Board").

**ARTICLE 2**  
**Intentionally Omitted**

**ARTICLE 3**  
**Board of Directors**

3.1 **Composition.** The Board shall govern the affairs of the Corporation. The Board shall be composed of at least three (3) but no more than seven (7) persons, one (1) of whom shall be the President of the Corporation.

3.2 **Term of Office.** Each director, except in case of death, resignation, retirement, disqualification or removal, shall serve until the next succeeding annual meeting and thereafter until his successor shall have been elected and qualified.

3.3 **Nomination.** Nominations for election to the Board shall be made by a nominating committee which shall consist of three (3) Members appointed by the President to serve from the close of one annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The nominating committee may nominate any number of qualified individuals, but no less than the number of directors to be elected. The nominations shall be made at least thirty (30) days prior to the annual meeting and the name of each individual so nominated shall be included with the notice of the annual

meeting. Nominations shall also be allowed from the floor at the meeting. Failure to comply with the provisions hereof shall in no way invalidate the election of directors so nominated.

3.4 **Elections**. Directors shall be elected, from among those nominated, by a plurality vote of the Board at the annual meeting, a quorum being present.

3.5 **Removal of Directors**. Any one or more of the directors may be removed with or without cause by a majority vote of the Board, and a successor may then and there be elected, by the Board to fill the vacancy thus created.

3.6 **Vacancies**. Any vacancies occurring in the Board, except by reason of removal of a director, may be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board. 3.7 **Compensation**. Directors shall not be compensated except that Directors shall be reimbursed for reasonable expenses actually incurred in the performance of their duties hereunder.

3.8 **Regular Meetings**. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every twelve (12) months. 3.9 **Special Meetings**. Special meetings of the Board may be called by the President. Special meetings of the Board shall be called by the President, Secretary or Treasurer on the written request of at least two (2) directors.

3.10 **Waiver of Notice**. Any director may, in writing, waive notice of any meeting of the Board, either before or after such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall constitute a waiver of notice by him of the time and place of such meeting. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.11 **Quorum**. A quorum of directors shall be deemed present throughout any Board meeting at which a majority of the directors are present at the beginning of such meeting.

3.12 **Conduct of Meetings**. The President shall preside over all meetings of the Board and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings.

3.13 **Action Without a Meeting**. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting by a majority of the Board in accordance with the provisions of the Act § 55A-8-21.

3.14 **Adjournments**. A meeting of the Board, whether or not a quorum is present, may be adjourned by a majority of the directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

3.15 **Powers and Duties.** The Board shall exercise for the Corporation all powers, duties and authority vested therein by the Declaration, the Articles of Incorporation or these Bylaws. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Corporation as hereinafter provided;
- (b) to administer the affairs of the Corporation;
- (c) to administer, manage and operate the property owned by the Corporation (the "Property") and to formulate policies therefor;
- (d) to engage the services of an agent (hereinafter sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate such Property, whether real or personal, and to collect and disburse, or to assist in the collection and disbursement of, annual and special assessments, upon such terms and for such compensation as the Board may approve, which Managing Agent may be affiliated with one or more directors, or the Declarant, or both;
- (e) to adopt rules and regulations, with written notice thereof as required by the Declaration, governing the details of the administration, management, operation and use of the Property, and to amend such rules and regulations from time to time;
- (f) to obtain adequate and appropriate kinds of insurance;
- (g) to appoint committees and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (h) to estimate the amount of, prepare, adopt and distribute the budget for the Corporation not less frequently than annually, to provide the manner of assessing, levying on and collecting from the Owners (as defined in the Declaration) the annual and special assessments, dues and fees, and to levy fines and individual assessments against one or more Owner in accordance with the Declaration;
- (i) to keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;
- (j) to bid and purchase, for and on behalf of the Corporation, any portion of the Property, or interest therein, at a sale pursuant to a mortgage foreclosure, a foreclosure of the lien for annual assessments, special assessments, individual assessments, or any, or an order or direction of a court, or at any other involuntary sale, provided that the Owners shall set forth a maximum price that the Board or its duly authorized agent may bid and pay for such portion of the Property or interest therein;
- (k) to make such mortgage arrangements and special assessments proportionately among the respective Owners, and other such financing arrangements, as the Board may deem desirable, in order to close and consummate the purchase or

lease of a portion of the Property, or interest therein, by the Corporation; provided, however, that no such financing arrangement shall be secured by an encumbrance on any interest in the Property other than the portion of the Property, or interest therein, to be purchased or leased;

- (l) to enforce by legal means the provisions of the Declaration, the Articles of Incorporation and these Bylaws with respect to the Property owned by the Corporation;
- (m) to renew, extend or compromise indebtedness owed to or by the Corporation;
- (n) to cause all officers and/or employees handling monies and funds for and on behalf of the Corporation to be bonded, as it may deem appropriate; and
- (o) in addition to, and in furtherance of, the powers referred to in these Bylaws, the Corporation shall (i) have all the powers permitted to be exercised by a nonprofit corporation under the Act, as now in force or hereafter amended, and (ii) have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Corporation is organized, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Declaration, the Articles of Incorporation and these Bylaws.

3.16 **Non-Delegation**. Nothing in this Article 3 or elsewhere in these Bylaws shall be considered to grant to the Board, the Corporation or to the officers of the Corporation any powers or duties which, by law, have been delegated to the Owners.

#### **ARTICLE 4** **Officers**

4.1 **Designation**. At each annual meeting of the Board, the directors present at said meeting shall elect/reaffirm the following officers of the Corporation by a majority vote:

- (a) a “**President**”, who shall be a director and who shall preside over the meetings of the Board and of the Corporation, and who shall be the chief executive officer of the Corporation;
- (b) a “**Secretary**”, who shall keep the minutes of all meetings of the Board and of the Corporation, and shall be designated as the officer to mail and receive all notices served by or upon the Board or the Corporation and execute amendments to the Declaration and these Bylaws, and shall, in general, perform all the duties incident to the office of Secretary, and may be a representative of the Managing Agent;
- (c) a “**Treasurer**”, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; provided, however, that the duties of the Treasurer may be performed by an employee or independent contractor retained by the Board; and

(d) such additional officers as the Board shall see fit to elect.

Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2 **Powers.** The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

4.3 **Term of Office.** Each officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified, or until his earlier death, resignation, retirement, disqualification or removal.

4.4 **Vacancies.** Vacancies in any office shall be filled by the Board by a majority vote at a special meeting of said Board. Any officer so elected by the Board to fill a vacancy shall hold office for a term equal to the unexpired term of the officer replaced.

4.5 **Compensation.** Officers shall receive no compensation for their services as officers unless expressly provided for in a resolution duly adopted by the Board.

4.6 **Removal.** Any officer may be removed from office, either with or without cause, by a majority vote of the Board.

4.7 **Agreements, Contracts, Deeds, Leases, Checks, Etc.** All agreements, contracts, deeds, leases, checks and other instruments of the Corporation shall be executed by at least one of the officers unless otherwise determined by resolution of the Board.

## **ARTICLE 5** **Indemnification**

5.1 **Definitions and References.** Terms used in this Article and not otherwise defined herein shall have the meanings assigned such terms in the Act § 55A-8-50. Whenever in this provision reference is made to a specific section of the Act, such reference shall be deemed to refer to such section as amended from time to time or any successor provision.

5.2 **Indemnification of and Advancement of Expenses to Directors.** The Corporation shall indemnify and advance expenses to its directors to the full extent and under the conditions that a North Carolina nonprofit corporation is permitted to indemnify and advance expenses to its directors under the Act.

5.3. **Indemnification of and Advancement of Expenses to Officers, Employees and Agents.** The Corporation shall indemnify and advance expenses to its Board-elected officers who are not directors (and may, if authorized for a specific proceeding, indemnify and advance expenses to its other employees and agents who are not Board-elected officers or directors) to the same extent and under the same conditions as to directors. No advancement or reimbursement of expenses to officers, employees or agents in accordance with the foregoing sentence shall be made unless the proposed indemnitee furnishes the Corporation a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct set forth in the Act



§ 55A-8-42, and he or she furnishes the Corporation a written undertaking, executed personally or on his or her behalf, to repay any advances if it is ultimately determined that he or she is not entitled to indemnification under this Article or the Act.

5.4 **Insurance.** The Corporation may purchase and maintain insurance on behalf of an individual who is a director, officer, employee or agent of the Corporation against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a director, officer, employee, or agent, whether or not the corporation would have power to indemnify or advance expenses to him or her against the same liability under this Article or under the Act.

5.5 **Contract Rights.** The right to indemnification and advancement of expenses conferred hereunder to directors and Board-elected officers shall be a contract right and shall not be affected adversely to any director or Board-elected officer by any amendment of these bylaws with respect to any action or inaction occurring prior to such amendment; provided, however, that this provision shall not confer upon any indemnitee or potential indemnitee (in his or her capacity as such) the right to consent or object to any subsequent amendment of these bylaws.

5.6 **Non-exclusivity, Etc.** The rights of a director or officer hereunder shall be in addition to any other rights with respect to indemnification, advancement of expenses or otherwise that he or she may have under contract or the Act or otherwise.

5.7 **Amendments.** No amendment, modification or rescission of this Article, or any provision hereof, the effect of which would diminish the rights to indemnification or advancement of expenses as set forth herein shall be effective as to any director or Board-elected officer with respect to any action taken or omitted by such person prior to such amendment, modification or rescission.

5.8 **Conflicts with Act.** To the extent that the provisions of this Article are held to be inconsistent with the provisions of the Act, such provisions of the Act shall govern.

5.9 **Severability.** In the event that any of the provisions of this Article (including any provision within a single section, subsection, division or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions of this Article shall remain enforceable to the fullest extent permitted by law.

## **ARTICLE 6**

### **Use Restrictions and Rule Making**

6.1 **Authority and Enforcement.** The Property shall be used only for those uses and purposes set out in the Declaration. The Board shall have the authority to make and to enforce reasonable rules and regulations governing the conduct, use and enjoyment of the Property, provided that copies of all such rules and regulations be furnished to all Owners at least thirty (30) days prior to the effective date of such rules and regulations. The Board shall have the power to impose reasonable fines which shall constitute an equitable charge and a continuing lien upon the portion of the Property owned by an Owner for violation of any duty imposed under the Declaration. The failure of the Board to enforce any provision of the Declaration, these

Bylaws or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

6.2 **Method of Approval.** The Declarant shall operate and shall have all of the rights given to it in the Declaration.

## **ARTICLE 7** **Miscellaneous**

7.1 **Notices.** Whenever these Bylaws require notice to be given, the notice shall be given in accordance with this Section 7.1. Notice under these Bylaws shall be in writing unless oral notice is reasonable under the circumstances. Written notice shall be mailed (via first class mail) or hand delivered or sent via facsimile transmission to the last known address for the recipient in the records of the Corporation. All such notices shall be deemed received (a) on the date of delivery if delivered personally, by messenger, by nationally recognized overnight courier, or via facsimile or (b) if through the United States Postal Service, on the earlier of (i) the date three days after the posting thereof or (ii) the date of actual receipt.

7.2 **Severability.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

7.3 **Headings.** The headings used herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

7.4 **Gender and Grammar.** The use of the masculine gender and gender neutral in these Bylaws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

7.5 **Fiscal Year.** The Board is authorized to fix the fiscal year of the Corporation and to change the same from time to time as it deems appropriate.

7.6 **Audit.** An audit of the accounts of the Corporation shall be made annually as a common expense, and a copy of the report shall be furnished to each Owner who requests a copy in writing. Upon written request of any holder of a first mortgage, such holder shall be entitled to receive a copy of the annual audited financial statement within ninety (90) days after the end of each fiscal year.

7.7 **Mortgagees' Notice.** A first mortgagee, upon written request, will be entitled to written notification from the Corporation of any default by a Owner, who is the mortgagee's mortgagor, in the performance of his obligations under the Declaration which is not cured within sixty (60) days.

7.8 **Conflicts.** In the event of conflicts between the Declaration, the Articles of Incorporation and these Bylaws, the Declaration and Articles of Incorporation shall control, in that order.

7.9 **Books and Records.** The books, records and papers of the Corporation shall be available for inspection by any Owner at any time during reasonable business hours. The Declaration, the Articles of Incorporation and these Bylaws shall also be available for inspection by any Owner at the principal office of the Corporation, where copies of same may be purchased at reasonable cost.

## **ARTICLE 8** **Amendments**

These Bylaws may be amended, modified or rescinded, from time to time, in the following manner:

8.1 **Notice.** Notice of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

8.2 **Adoption.** Subject to applicable law, the Board shall have the power to alter, amend or repeal any of these Bylaws or to adopt new Bylaws by the affirmative vote of a majority of all of the directors. 8.3 **Proviso.** No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Declarant or any mortgagee without the prior written consent of the Declarant and/or said mortgagee(s), as the case may be. No amendment that is in conflict with the Articles of Incorporation or the Declaration shall be adopted.