BYLAWS
OF
WHEELER POND PROPERTY OWNERS ASSOCIATION, INC.
Adopted Effective as of March 30,2003

Article I
Name and Location

1. **Name**. The corporate name of this nonprofit corporation shall be "Wheeler Pond Property Owners Association. Inc." whenever the word "Corporation is used in the Articles, the Bylaws, the Protective Covenants, or the amendments, or other official action of the Corporation it shall signify the legal organization Wheeler Pond Property Owners Association, Inc. as established by the Articles of Incorporation.

2. **Principal Office.** The mailing address of the Corporation shall be Post Office Box ~~243, Hillsborough, Orange County, NC 27278~~. 553, Creedmoor, Granville County, NC 27522

3. **Registered Office.** The registered office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

4. **Other Offices.** The Corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may from time to time determine, or as the affairs of the Corporation may require.

Article II
Membership, Voting Rights and Assessments

5. **Membership and Voting Rights.** Each Lot Owner/Owners shall automatically be deemed a member of the Association by virtue of their ownership of a Lot. For purposes of these by-laws, "Lot Owner", "Owner" and "Owners', shall mean person or party owning a lot shown on the subdivision map for Wheeler Pond recorded or to be recorded in the Granville County Registry, together with any amendments or revisions of record thereto (the "Plat"). There shall be one Membership interest and one vote per lot, and the total number of Membership interests and votes in the Association shall equal the total number of lots shown on the Plat.

6. **Assessments.** Each Member shall pay to the Association dues and/or assessments that shall be fixed and/or established by a majority vote of the membership at the annual budget meeting and collected by the Board of Directors. Each Member shall be personally liable for assessments coming due on its lot while said Member is the lot

owner. No Member may waive or otherwise escape liability for assessments by non-use of any common areas of the subdivision or abandonment of its lot. The Annual Member ship dues will be set and approved at the annual budget meeting held on January 15th. Annual dues shall be paid within 30 days of notification; however, the dues may be paid in two equal installments, with the final payment due on June 1. The thirty (30) days shall commence upon mailing of the minutes and approved budget adopted at the annual membership meeting.

7. **Collection of Assessments.** The Board of Directors shall take prompt action to collect any assessments for the Association dues from any Owner, which remains unpaid for more than sixtey (60) days from the due date for payment thereof. Property owners can make private payment arrangements with the Treasurer in lieu of a single annual payment. Said arrangement must be made in advance of due date failure of any lot owner to pay annual dues will result in that lot owners vote being null or void due to being placed in not-good-standing with the Association. The Association reserves the right to take any legal action to ensure payment of any delinquent dues.

Article III.
Meeting of Members

8. **Annual Meetings.** The annual meeting of the members shall be held on January 15th of each year, or on another date agreed upon by a quorum of the membership closest to January 15th for the purpose of transacting any business authorized to be transacted by the members.

9. **Special Meetings.** Special meetings of the Members may be called at any time by the President/Secretary, or any two or more directors or upon written request of the Members comprising one-fourth (1/4th) of the votes in the Association.

10. **Notice of Meetings**. Written notice of each meeting of Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, not less than fourteen (14) days prior to the proposed date of such meeting, to each Member entitled to vote. Such notice shall specify the place, day and hour the meeting is to commence and adjourn, and,
in the case of a special meeting, the purpose of the meeting. Notice of meetings may be waived before or after meetings in writing or by vote of the Members.

11. **Quorum.** The presence of Ten (10) Members in person or by written proxy at the commencement or duration of any meeting shall constitute the presence of such Member for the purpose of determining a quorum. It is the intent of the association, to adhere to a simple majority of the votes present at any meeting after all the lots are sold. If the ten-member quorum shall not be represented at any meeting of the Association, the Members entitled to vote shall have power to adjourn the meeting until a quorum shall be represented.

12. **Proxies.** At all meetings of Members, each Member may vote in person or by proxy. If Members elect to vote by proxy, a written proxy must be given to any other attending Member.

13. **Conduct of Meetings.** The President of the Association shall preside over all Association meetings. The Secretary shall keep a minute book with all resolutions adopted by the Members, minutes of all meetings, and all written consent to action taken without a meeting. Any meeting of the Members whether or not a quorum is present, may be adjourned by a majority of the votes at the meeting to reconvene at a specific time and place. It shall not be necessary to give any notice to Members of the reconvened meeting or of the business to be transacted, if the time, place and business are announced at the adjourned meeting. Any business may be transacted at the reconvened meeting, which could have been transacted at the meeting, which was adjourned, if a quorum is present at the reconvened meeting.

14. **Vote Required for Action.** The Vote of a majority of the Members at a meeting at which a quorum was present shall constitute and authorize an act of the Association.

Article IV
Board of Directors

15. **General Policy.** The Board of Directors shall manage the business and affairs of the Association. The Board shall have all powers of the Association that are not required by law. The Protective Covenants, Articles of Incorporation, or these by-laws are to be exercised by the Members. In powers of the Association shall include those set forth in the Act.

16. **Qualifications**. Each Director must be a Lot Owner.

17. **Elections.** Election to the Board of Directors shall be by written ballot by membership vote. The nominee receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

18**. Number and Term of Office.** The Board of Directors shall consist of not less than three and not more than five directors. Initially the Board shall consist of five Directors. Upon conveyance of more than fifty percent of the lots in the subdivision all Directors shall be elected by the Association Members. The Directors shall be elected annually for a one year term. The election shall be held at the annual meeting of the Association. If not, a special meeting may be called for the purpose of electing Directors. Each Director shall serve until his term expires and his successor has been elected and qualified, subject to removal, disqualification or resignation.

19. **Removal.** Any Director may be removed from office with or without cause by a vote of the majority of the Members at a meeting of the Association at which a quorum is

present. A removed Director’s successor may be elected at the same meeting to serve the remainder of the term.

20. **Vacancies.** A vacancy occurring on the Board of Directors may be filled by the Directors remaining in office though less than a quorum of the Board. Any Director so elected by the board shall serve until the next annual meeting at which time a Director shall be elected by the Members, or until a special meeting is called for the purpose of electing a director for the remaining term.

21. **Compensation.** Directors shall not receive compensation for their services as Directors. A Director may serve the Association in another capacity and receive compensation if in the ordinary course of the Director's business and if disclosed to the Board in advance in writing.

22. **Committees.** The Board of Directors, by resolution adopted by a majority of the number of directors then in office, may designate and appoint from among its members one or more committees; each consisting of one or more directors and any number of Association Members, who shall serve as members of such Committee.

Section V
Meetings of the Board of Directors

23. **Place of Meetings.** Directors may hold their meeting at any reasonable place which from time to time the Board may establish. Regular meetings of the Board of Directors shall be held at least annually on a regular schedule established by the Board.

24. **Special Meetings.** Special meetings of the Board may be called by the President, Secretary, or any two Directors.

25. **Notice of Meetings.** No notice shal1 be required for the regularly scheduled meetings. Notice of each special meeting shall be given to each Director stating the time, place, and purpose of the meeting. The notice shal1 be given by mail deposited at least five (5) days before the meeting or by telephone, telegram, cablegram, or personal delivery at least three (3) days before the proposed meeting date.

26. **Quorum.** A quorum shall be deemed present throughout any meeting of the Board of Directors where Directors entitled to cast a majority of the votes on the Board are present at the beginning of the meeting.

27. **Voting.** Except as otherwise provided by law, the act of a majority of the Directors present at a meeting at which a quorum is present at the time shall be the act of the Board of Directors. Each Director shall have one equal vote on the Board regardless of the votes attributable to his lot.

28. **Adjournments.** Any 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. Any business may be transacted at the reconvened meeting which would have been transacted at the meeting which was adjourned, if a quorum is present at the reconvened meeting.

29. **Action by Directors Without Meeting.** Any action taken by the Board of Directors "without a meeting" must have written documentation filed, with the Minutes of the Board.

30. **Organization.** Each meeting of the Board of Directors shall be presided over by the President and in his/her absence or request, by any person selected to preside by vote of a majority of the directors present. The Secretary or, in the absence or at the request of the Secretary , any person designated by the person presiding at the meeting shall act as secretary of the meeting.

Section VI
Powers and Duties of the Board of Directors

31**. Powers.** The Board of Directors shall have the power to:

(a) Administer/carry out rules and regulations adopted and published by the Board governing the use of Common Areas;
(b) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Board;
(c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership or by other provisions in these bylaws or the Covenants;
(d) declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
(e) bil1, assess and col1ect any such dues or assessments of the Association payable by its Members as have been approved by the Members at an annual or special meeting.

32. **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 at any special meeting at which such statement is requested in writing by two-thirds (2/'3) of the Members who are entitled to vote;
(b) supervise all officers, agents and employees of the Association and see that their duties are properly performed

(c) issue, or cause an appropriate representative of the Board to issue, a certificate setting forth whether any assessments due have been paid, at no charge to the Members or requesting party;
(d) ensure that the Board and Association are fulfilling their duties as set forth in the covenants, the articles of incorporation, and these by-laws, as they relate to control and maintenance of the subject property;
(e) prepare an annual operating budget for review and approval by the Members at the Members annual meeting.
(f) to perform all other duties imposed by the articles of incorporation and the Declaration
(g) to procure and maintain insurance coverage as reasonable and necessary on behalf of the Association;
(h) to pay any license fees or governmental charges levied or imposed against the common area or other Association property;
(i) to cause the common areas of the subdivision to be maintained in a manner consistent with the provisions of these by-laws and the Declaration.

Article VII
Officers

33. **Number.** The officers of the Association shall consist of a President, Vice President, Secretary, Treasurer, and one Director at Large. The Association shall not be required to have at any time any officers other than a President and a Secretary . Any two or more offices may be held by the same person except the offices of President and Secretary. The Board of Directors may determine in advance of the Annual Members Meeting the appropriate number of Officers or Directors that will preside for the next annual term.

34. **Election and Term.** All officers/directors shall be elected by written ballot at the Annual Membership Meeting and shal1 serve at the pleasure of the Board. Term of office is one year for all Officers/Directors with elections held every year.

35. **Compensation.** No officers shall receive any compensation from the Association for their services as Officers/Directors .

36. **Removal.** The Board at any meeting with respect to which notice of such purpose has been given to the Directors may remove any officers or agent elected by the Board or Membership Association.

37. **Vacancy.** Any vacancy occurring shall be filled by the Board of Directors at a meeting duly called or such purpose. Said substitute Officer/Director to serve the remaining term thereof.

38. **President.** The President shall be the chief executive officer of the Association and shall have responsibility for the general suspension of the business of the Association. He shall see that the orders and resolutions of the Board are carried into effect. The President shall perform such other duties as may from time to time be delegated to him by the

Board. He shall have all the general powers and duties which are incident to the office of the President of a corporation organized under the Act.

39. **Vice President.** (As applicable). The Vice President, shall in the absence or disability of the President, perform the duties and exercise powers of that office. In addition, shall perform other such duties and have such powers, as the Board of Directors shall prescribe.

40. **Secretary.** The Secretary shall keep accurate and complete records of all meetings of Members, Directors- including minutes of the meetings, all resolutions adopted. The Secretary shall have authority to give all notices required by law and these bylaws; shall be custodian of the corporate books and records and other documents; may affix the corporate seal to any lawfully executed documents requiring it and shall sign such instruments as shal1 require its signature; and shall have whatever duties and powers the Board may from time to time assigns him/her which may be incident to the office of a secretary to a corporation organized under the Act. If no Treasurer is appointed by the Board. The Secretary shall also fulfill the functions and assume the obligations of Treasurer.

41. **Treasurer.** The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse them under the direction of the Board; and shall keep full, true and accurate accounts of all receipts and disbursements, and shall make reports to the General Membership and the Board upon request. The Treasurer shall prepare all required financial statements and budgets.
The Treasurer shall present a true statement of the Corporation's assets and liabilities as of the close of each fiscal year as well as the results of its operations and of changes in surplus for such fiscal year, all in reasonable detail to be made and titled at the registered or principal office within four months after the end of such fiscal year. The statement so titled shall be kept available for inspection by any Director for a period of 10 years, and the Treasurer shall mail a copy of the latest statement to all Association Members.

Article VIII
Committees

42. **Generally.** The Board of Directors may create such committees as are necessary from time to time to assist the Board or Directors.

Article IX
Contracts. Loans, Checks Deposits

43. **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

44. **Loans.** No loans shall be contracted on behalf of the Corporation by the Membership Association, by the Board of Directors, or by any Officer of the Corporation. Evidence of

indebtedness shall be issued in the name of the Corporation by a unanimous resolution of the Board of Directors. Such authority may be general or confined to specific instances.

45. **Checks and Drafts.** All checks, drafts or other orders for payment of money issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

46. **Deposit.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories, as the Board of Directors shall direct.

Article X
Records and Reports

47. **General.** The Corporation shall keep all records and submit and file all reports and filings as are required by applicable law. Unless the Board of Directors otherwise directs, the Treasurer shall be responsible for keeping, or causing to be submitted or titled, all reports and filings of a financial or accounting nature, and the Secretary shall be responsible for keeping, or causing to be kept, all other records and for submitting for filing, or causing to be submitted or filed, all other reports and filings.

The Corporation shall keep as permanent records, minutes of all meetings of its Incorporators, Members and Board of Directors, a record of all actions taken by the members or Board of Directors, and a record of all actions taken by Committees of the Board of Directors. The Corporation shall maintain appropriate accounting records. The Corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

48. **Records of the Principal Office.** The Corporation shall keep a copy of the following records:

(a) Its Articles or restated Articles of Incorporation and all amendments to them currently in effect;
(b) Its Bylaws or restated Bylaws and all amendments to them currently in effect;
(c) The minutes of all General Membership meetings, all Board of Directors meetings, and records of all action taken by the Board or Directors for the past three years;
(d) All written communications to members generally within the past three years and the financial statements required by law to be available to the members for the past three years:
(e) A list of the names and business addresses of its current directors and officers; and

(f) Its most recent annual report delivered to the North Carolina Secretary of State pursuant to the North Carolina Corporation Act.

49. **Financial Statements.** The Corporation shall make available to its members annual financial statements, which may be consolidated or combined statements of the Corporation and one or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of cash flows for the year unless that information appears elsewhere in the financial statements. Financial statements are prepared for the Corporation on the basis of generally accepted accounting principles; the annual financial statement s shall also be prepared on this basis.

If the annual financial statements are reported upon by a public accountant, such accountant's reports shall accompany them. If not, the statements shall be accompanied by a statement of the President or the treasurer or other person responsible for the Corporation's accounting records:

(a) Stating his or her reasonable belief whether the statement were prepared on the basis of generally accepted accounting principles and if not, describing the basis of preparations; and
(b) Describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

The Corporation shall mail the annual financial statements to each member within 120 days after the close of each fiscal year; provided that the failure of the Corporation to comply with this request shall not constitute the basis for any claim of damages by any member unless such failure was in bad faith.

Thereafter, on written request from a member who was not mailed the statements, the Corporation shall mail such shareholders the latest financial statements.

Article XI
General Provisions

50. **Fiscal Year.** 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 year shall begin on the date of incorporation of the Association.

51. **Seal.** The corporate seal of the Association shall consist of two concentric circles between or within which are the name of the Corporation, the state of incorporation and the word "SEAL". Such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Corporation.

52. **Inspection of Books and Records.** All accounts, books and records of the Association shall be open to inspection by the Members, their mortgages and prospective purchasers during normal business hours and subject to such reasonable rules as the Board may establish.

53. **Waiver of Notice.** Whenever any notice is required to be given to any Member or Director, a waiver signed by the Director or Member entitled to such notice, whether before or after the meeting to which the, waiver pertains. shall be deemed equivalent to the proper notice. Attendance at a meeting. whether in person or by proxy, shall be a waiver of notice of the time and place of the meeting unless specific objection to improper notice is made when the meeting is called to order.

54. **Amendment.** These by-laws may be amended at a regular or special meeting of the Members, by the vote of a majority of the quorum of Members present in person or by proxy.

55. **Self-Dealing.** Each Director and Officer shall disclose in the written minutes of the Board any contract or agreement of any kind between the Association and any person or entity to which he is related by blood or marriage or in which he has an interest, whether direct or indirect.

56. **Conflicts.** In the event of a conflict between the provisions of the Articles of Incorporation, the Covenants, and these by-laws; the Articles of Incorporation and Covenants shall control.

57. **Dissolution.** This Corporation may be dissolved as provided by any of those methods and procedure set out in the North Carolina Nonprofit Corporation Act.

Article XII
Rules of Order

58. **Robert's Rules of Order.** The Corporation shall adopt some well known authority in the conduct of its parliamentary procedures, preferably those laid down in Robert's Rules of Order.

IN WITNESS WHEREOF, we, being the Directors of the Association, have adopted by resolution this_______day of _______________,2003.

____
President

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Secretary/Treasurer

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Director

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Director

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Director