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Granville County, NC
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STATE OF NORTH CAROLINA

AMENDED AND RESTATED BYLAWS
OF WYNNGATE HOMEOWNERS
ASSOCIATION, INC.

GRANVILLE COUNTY

These AMENDED AND RESTATED BYLAWS OF WYNNGATE HOMEOWNERS ASSOCIATION, INC. are made as of this 22 day of September, 2016, by the requisite members of the WynnGate Homeowners Association, Inc., a North Carolina nonprofit corporation (hereinafter, the "Association").

WITNESSETH:

WHEREAS, Article XI, Section 1 of the Bylaws of WynnGate Homeowners Association, Inc. (the "Bylaws") provide that the Bylaws may be amended by the affirmative vote of the voting members having at least sixty-seven percent (67%) of the aggregate voting interests in the Association; and

WHEREAS, Article XI, Section 1 of the Bylaws goes on to state that all amendments must be recorded in the Office of the Register of Deeds of Granville County to be effective; and

WHEREAS, in accordance with N.C. Gen. Stat. § 55A-7-08, on July 1, 2016, voting members having at least 67% of the aggregate voting interests in the Association voted in favor of amending the Bylaws as set forth in the attached Amended and Restated Bylaws;

NOW THEREFORE, the Bylaws of the WynnGate Homeowners Association, Inc. are hereby amended and restated as set forth on Exhibit A, which is attached hereto and incorporated herein by reference, and which Amended and Restated Bylaws shall replace and supersede any and all existing Bylaws for WynnGate Homeowners Association, Inc.

submitted electronically by "Jordan Price Wall Gray Jones & Carlton"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Granville County Register of Deeds

Book: 1616 Page: 798 Seq: 1

CERTIFICATION OF VALIDITY OF ADOPTION OF AMENDED AND RESTATED
BYLAWS FOR WYNNGATE HOMEOWNERS ASSOCIATION, INC.

By authority of its Board of Directors, WynnGate Homeowners Association, Inc., hereby certifies that the attached Amended and Restated Bylaws for WynnGate Homeowners Association, Inc. were approved by the vote of members representing ___% of the total votes in the Association and are, therefore, valid amendments to the existing Bylaws for WynnGate Homeowners Association, Inc.

WYNNGATE HOMEOWNERS
ASSOCIATION, INC.

By:

Dr. J. S. Batten
President

STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

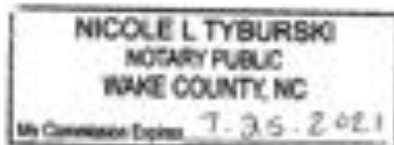
COUNTY OF Wake

I, Nicole L. Tyburski, a Notary Public of the County and State aforesaid, certify Jeffrey Batten of whose identity I have personal knowledge, personally appeared before me and acknowledged that the signature on the record presented is his/her signature and that he/she voluntarily executed the foregoing instrument for the purpose stated therein and in the capacity indicated.

Witness my hand and official stamp or seal, this 22nd day of September 2016.

Nicole L. Tyburski
Notary Public

Nicole L. Tyburski
Printed Name



My commission expires:

7-25-2021

EXHIBIT A
AMENDED AND RESTATED BYLAWS OF
WYNNGATE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
APPLICABILITY OF BYLAWS

All present and future owners, mortgagees, lessees, and occupants within the Property, and their agents, servants, and employees, and any other persons who may make use of the facilities of the Property in any manner, are subject to these Bylaws and to the rules and regulations adopted pursuant hereto, and to any amendments to these Bylaws and rules and regulations upon the same being duly adopted. The acceptance of a deed or conveyance to, or the entering into a lease to, or the act of occupancy of, any Lot within the Property by any person shall conclusively establish the acceptance and ratification by such person of these Bylaws (and any rules and regulations adopted pursuant hereto), the Articles of Incorporation, and the Declaration as they may be amended from time to time, and shall constitute and evidence an agreement by such persons to comply with those governing documents.

ARTICLE II
DEFINITIONS

Unless otherwise specified, the words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized words shall have the same meaning as set forth in the Declaration, except as otherwise specified below:

Section 1. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Association on file with the North Carolina Secretary of State, as may be amended from time to time.

Section 2. "Association" shall mean and refer to WynnGate Homeowners Association, Inc., its successors and assigns, which is the association of Owners of the WynnGate Subdivision.

Section 3. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.

Section 4. "Bylaws" shall mean these Amended and Restated Bylaws, as may be amended from time to time.

Section 5. "Declaration" shall mean that Declaration of Covenants, Restrictions and Easements for WynnGate Subdivision recorded in Book 1102, Page 682 of the Granville County Registry, as it may be amended from time to time (collectively, "Declaration").

Section 6. The "Property" shall mean all of the lands and appurtenances subjected to the Declaration, which lands are more fully described in said Declaration, and all additional property as may be brought within the jurisdiction of the Association.

ARTICLE III
OFFICES

Section 1. The principal office of the Association shall be located at 4700 Homewood Court, Suite 380, Raleigh, North Carolina, or such other place as may be designated by the Board via filing with the North Carolina Secretary of State.

Section 2. The registered office of the Association may, but need not be, identical with the principal office, but shall be located in North Carolina.

Section 3. The Association may have such other offices, either within or without the State of North Carolina, as the Board may from time to time determine or as the affairs of the Association may require.

ARTICLE IV **ASSOCIATION OF OWNERS**

Section 1. Members. The qualification of Members, the manner of their admission to membership and termination of such membership shall be as set forth in the Articles of Incorporation of the Association and the Declaration.

Section 2. Annual Meetings. A meeting of the Members of the Association shall be held at least once each year, at a time and place selected by the Board of Directors, for the purpose of electing members of the Board of Directors and for the transaction of such other business as may be properly brought before the Members.

Section 3. Special Meetings. Special meetings of the Association may be called at any time by the President, a majority of the members of the Board of Directors, or by Owners having not less than ten percent (10%) of the votes in the Association.

Section 4. Notice of Meetings. Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the secretary or other officer specified in the Bylaws shall cause notice to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Owner, or sent by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the Owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove a director or officer.

When a meeting is adjourned for thirty (30) days or more, notice of the reconvening of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it shall not be necessary to give notice of the reconvening of the adjourned meeting other than by an announcement at the meeting at which the adjournment is effective.

Notice requirements set forth herein shall apply unless a different number is required by the Declaration for any specific action.

Section 5. Quorum. Unless a different percentage is required in the Articles of Incorporation, Declaration or a specific provision in these Bylaws, the presence in person or by proxy at the beginning of any meeting of members constituting ten (10%) percent of the total votes entitled to be cast shall constitute a quorum. Unless otherwise expressly provided herein, any action, consistent with the notice of such meeting, may be taken at any meeting of the Association at which a quorum is present upon the affirmative vote of the members having a majority of the total votes present at such meeting.

In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy, and shall be reconvened at the date and time determined by Members at the adjourned meeting, subject to the notice requirements set forth in Section 4 of this Article. The quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, signed by the Member, and filed with the Secretary. An appointment in the form of an electronic record that bears the Member's electronic signature and that may be directly reproduced in paper form by an automated process shall be deemed a valid appointment form. A proxy is void if it is not dated. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 7. Voting Rights; Multiple Owners. If only one of the multiple Owners of a Lot is present at a meeting of the Association, he is entitled to cast the vote allocated to the Lot. If more than one of the multiple Owners are present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. Majority agreement is conclusively presumed if any one of the multiple Owners casts the vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. Fractional voting is prohibited. If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of the vote by the other Owners of the Lot through a duly executed proxy.

Section 8. Voting Rights; Cumulative Voting. The vote cast by, or on behalf of, the Owner or Owners of a Lot shall be that voting interest specified in the Declaration. In all elections for members of the Board of Directors, no voting member shall be entitled to vote on a cumulative voting basis for the director or directors to be elected, and the candidate or candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed elected.

Section 9. Waiver of Notice. Any Owner, at any time, may waive notice of any meeting of the Association in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Owner at any meeting of the Association shall constitute a waiver of notice by him of the time and place thereof except where a Owner attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all of the voting members are present at any meeting of the Association, no notice shall be required, and any business may be transacted at any meeting.

Section 10. Informal Action by Owners. Any action which may be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such an action at a meeting and filed with the Secretary of the Association to be kept in the Association minute book.

ARTICLE V **BOARD OF DIRECTORS**

Section 1. General Powers. The affairs of the Association shall be managed by a Board of (7) directors as set forth herein.

Section 2. Persons Who May Serve. Directors shall be Owners that reside within the Property, except that when an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, any officer or director of such corporation, partner of such partnership, beneficiary or trustee of such trust, or manager of such other legal entity, shall be eligible to serve as a member of the Board.

Only Owners that are in good standing are qualified to serve on the Board. An Owner is not in good standing if the Owner is delinquent in the payment of any assessment by more than 30 days or has been determined by the Board, after notice and an opportunity to be heard, to be in violation of the Declaration or any rule or regulation of the Association and said violation remains unresolved.

Only one Owner of a particular Lot may serve on the Board at the same time.

Section 3. Director Obligations. In addition to his or her service as a director, each director shall be obligated to serve on at least one committee of the Association unless such service is excused by a majority of the Board.

Section 4. Election of directors. The Directors shall be elected at the annual meeting of the Association, and those candidates who receive the highest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. Number and Term. Directors shall serve staggered terms whereby no more than three (3) directors shall rotate off the Board in any one year. At the first annual meeting following the date of recording of these Bylaws, the existing Board of Directors shall determine the manner whereby to achieve such staggered terms if such staggered terms do not exist. At each annual meeting thereafter, the members shall elect the number of directors needed to fill the vacancy or vacancies created by the director or directors whose term(s) expire to serve for a term of three (3) years. The members of the Board of Directors shall take office upon election and shall hold office until their respective successors shall have been elected by the Association.

Section 6. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. Any Nominating Committee formed by the Board of Directors shall be appointed prior to the annual meeting of the Members at which elections are to take place, and members of the committee shall serve until the close of said 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 may 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.

Section 7. Removal/Vacancies. Any director may be removed from the Board, with or without cause, by a majority vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. An elective vacancy occurring in the Board of Directors, including directorships not filled by the voting members, may be filled by a majority of the remaining directors, though less than a quorum, or by the sole remaining director. A director may also be removed from the Board by a majority of the directors then in office for failing to attend three (3) consecutive Board meetings.

Section 8. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 9. Powers. The Board of Directors shall have the powers necessary for the administration of the affairs of the Association as specified by law, the Declaration, the Articles of Incorporation, or these Bylaws, and may do all such acts and things, except such acts as by law, by the Declaration, the Articles of Incorporation, or by these Bylaws may not be delegated to the Board of Directors.

Section 10. Duties. It shall be the duty of the Board of Directors to:

(a) Administer, operate, maintain and repair the Association Property.

(b) Enter upon any Lot and perform any repairs, maintenance or construction for which the Association is responsible at reasonable times and hours and with as little inconvenience to the Owner as practicable. The Association shall repair any damages to the Lot caused by such repair, maintenance or

construction, and all costs incurred in performing these duties shall be an Operating Expense of the Association, unless the Board shall determine that the repairs, maintenance or construction was necessitated by the negligence, misuse, unlawful act, or act in violation of the Declaration, these Bylaws or the rules and regulations of the Association by the Owner, its family members, guests, invitees, tenants or contract purchasers, in which event such costs may be assessed against the Owner, as by the Declaration prescribed.

(c) Determine the Operating Expenses arising from the costs of administration, operation, care, upkeep, maintenance, repair and construction of the Association Property, including, without limitation, reserves for repair, reconstruction or replacement.

(d) Fix and assess in the manner provided by law and in the Declaration, the proportionate part of the Operating Expenses of each Owner within the Property.

(e) Collect and enforce the collection of Operating Expenses in the manner provided by law and in the Declaration, including, but not limited to legal proceedings for the enforcement of liens and provide written evidence of payment upon request therefor.

(f) Employ, supervise and dismiss personnel, managers or independent contractors necessary to the maintenance and operation of the Association Property.

(g) Adopt, amend, publish and enforce reasonable Rules and Regulations that it deems advisable and necessary for the proper administration, operation, maintenance, conservation, and beautification of the Property and for the health, comfort, safety, and general welfare of the Owners and occupants of the Lots. Copies of the published rules and regulations and amendments thereto shall be given to all the Owners and occupants and the Association Property shall be administered, operated and maintained in conformity with such rules and regulations.

(h) Designate depositories for Association funds and the officers, agents and/or employees having the authority to deposit and withdraw such funds; and, in its discretion, to require such officers, agents or employees to be bonded in such amounts as it deems necessary.

(i) Sign all mortgages, deeds of trust, agreements, contracts, vouchers for payment of expenditures, deeds and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President and the Secretary.

(j) Procure and maintain adequate insurance of such nature and in such amounts as is provided in the Declaration, and such other insurance as the Board may deem necessary or appropriate, including, without limitation hazard insurance, liability insurance and officers and directors liability coverage.

(k) Appoint such committees as are provided for in these Bylaws and the Declaration or as otherwise deemed appropriate by the Board, including, but not limited to a Nominating Committee and an Architectural Committee.

(l) Exercise their powers in good faith and do and perform such other matters and things not expressly prohibited by law, the Declaration, or these Bylaws as are necessary and appropriate to the proper administration, operation and maintenance of the Association.

(m) Prepare an annual budget in which there shall be established the assessments of each Owner for the Operating Expenses.

(n) Pay all taxes, charges and assessments which are or may become liens against any part of the Association Property, and assess the same against the members and their respective Lots.

(o) To enforce by legal means or proceedings the provisions of the Articles of Incorporation, the Bylaws, the Declaration and the rules and regulations promulgated hereunder.

(p) To review and to approve architectural changes, alterations or modifications of Lots and the improvements thereon.

(q) To establish fines and penalties for late payment of assessments and for violations of the Declaration, Bylaws and the rules and regulations.

(r) To 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 Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for an infraction of or violation of the Declaration, these Bylaws, or the rules and regulations of the Association.

(s) To suspend the community privileges (including use of recreational facilities, if any) of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for an infraction of or violation of the Declaration, these Bylaws, or the rules and regulations of the Association;

(t) To impose reasonable charges for services especially provided to one or more Owners which charges or costs should not otherwise be a Operating Expense.

(u) To institute, defend or intervene on behalf of the Association in litigation or administrative procedures affecting the Property.

(v) To cause additional improvements to be made to the Association Property.

(w) To grant easements, leases, licenses, and concessions through or over the Association Property.

(x) To exercise all other duties to which similar organizations have the power to perform and as by law provided.

Section 11. Liability of the Board. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence or otherwise except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contracts shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent of their liability as Owners. It is also intended that the liability of any Owner arising out of any contracts made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportions of the total liability thereunder as his voting interest in the Association bears to the interest of all of the Owners. Every agreement made by the Board or by the manager on behalf of the Association shall provide that the members of the Board of Directors, or the manager, as the case may be, are acting only as agents for the Association, and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to such proportion to the total liability thereunder as its voting interest in the Association bears to the voting interest of all Owners.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. A regular meeting of the Board shall be held immediately after and at the same place as the annual meeting of the Association. The Board may provide by adoption of an appropriate resolution for the time and place within the County in which the Property is located, for other regular meetings of the Board.

Section 2. Special Meetings. Special meetings of the Board may be called by or at the request of the President or by any two directors. Such meetings may be held at any place within the County in which the Property is located.

Section 3. Notice of Meetings. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board shall give actual notice, oral or written, to all directors of the time, place and purpose of such meeting at least two days prior thereto. Attendance by a director at a meeting shall constitute a waiver of notice of such meeting except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

Section 4. Waiver of Notice. Any member of the Board of Directors may give written waiver of notice at any time of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. If all of the members of the Board are present at any meeting thereof, no notice shall be required and any business may be transacted at such meeting.

Section 5. Quorum. A majority of the number of directors fixed by these Bylaws shall be required for and shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6. Manner of Acting. Except as otherwise provided in this section, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 7. Organization. Each meeting of the Board of Directors shall be presided over by the President and in the absence of the President, by the Vice President, and in the absence of the Vice President, by any person selected to preside by vote of the majority of the directors present. The Secretary, or in his absence, any person designated by the presiding officer of the meeting shall act as Secretary of the meeting.

Section 8. 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 if the action is taken by all members of the Board. The action shall be evidenced by one or more written consents signed by each director describing the action taken, which are to be included in the minutes or filed with the corporate records. Such consents may be in electronic form and delivered by electronic means. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 9. Participation in Meetings. Members of the Board or of any committee that the Board appoints may participate in a meeting of the Board or committee by conference telephone, video conference, or similar method of communication, provided all persons participating in the meeting can hear each other simultaneously. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting. A director may be removed from the Board by a majority of the directors then in office for failing to attend three (3) consecutive Board meetings.

Section 10. Minutes. The Board, and all committees to which the Board shall have delegated any of its authority, shall keep minutes of all the proceedings of the Board and the committees.

Section 11. Fidelity Bonds. The Board of Directors shall require any officer or employee of the Association handling or responsible for Association funds to be covered by an adequate fidelity bond. The premiums on such bond shall constitute an Operating Expense.

ARTICLE VII **OFFICERS**

Section 1. Designation. The officers of this Association shall be a president, vice president, secretary, and a treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create. The president, vice president and treasurer must be members of the Board of Directors. Other officers need not be directors, but must be Members of the Association.

Section 2. Election and Term. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. Each officer shall hold office for a period of one (1) year or until his death, resignation, retirement, removal, disqualification or his successor is elected and qualified.

Section 3. Removal; Resignation. Any officer may be removed from office with or without cause by a majority of the Board. Any officer may resign at any time 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 otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. 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 4. Compensation. No officer shall receive any compensation from the Association for acting as such, but the Board may reimburse any officer for any direct expenses incurred by him in the performance of his duties as such officer and such reimbursement shall be an Operating Expense.

Section 5. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall supervise and control the management of the Property. The President shall, when present, preside at all meetings of the Board and of the Association, and, in general, shall perform all duties incident to the office of the President and such other duties as may be prescribed from time to time by the Board. The President shall prepare, execute (with the Secretary), certify, and record amendments to the Declaration on behalf of the Association.

Section 6. Vice President. The Vice President, and if there be more than one, the Vice Presidents shall, in the absence or disability of the President, have the powers and perform the duties of said office. In addition, each Vice President shall perform such other duties and have such other powers as shall be prescribed by the President.

Section 7. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of the Association and of the Board. The Secretary shall give, or cause to be given, all notices required by law and these Bylaws, and the Secretary shall have general charge of the minute books and records of both the Association and of the Board. The Secretary shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned to him from time to time by the President or by the Board of Directors.

Section 8. Treasurer. The Treasurer shall have custody of all Association funds and securities and shall receive, deposit, or disburse the same under the direction of the Board of Directors. He shall keep full and accurate records of the finances of the Association in books specially provided for that purpose. He shall cause a true statement to be prepared as of the close of each fiscal year setting forth, in reasonable detail, the assets and liabilities of the Association, the changes in surplus for such fiscal year, and the result of the operations of the Association. The statement shall be filed and kept available for inspection by any Owner for a period of three (3) years and the Treasurer shall mail or otherwise deliver a copy of the latest statement to each Owner and member of the Board of Directors annually on or before 30 days prior to the annual meeting of the Association covering the preceding calendar year. The Treasurer shall also prepare and file all reports and returns required by Federal, State or local laws, and shall generally perform all other duties as may be assigned to him from time to time by the President or the Board of Directors.

ARTICLE VIII **OPERATION OF THE PROPERTY**

Section 1. Determination of Operating Expenses and Fixing of Operating Expenses. The Board of Directors, from time to time, and at least annually, shall prepare a budget for the Association Property, determine the amount of the Operating Expenses (as defined in the Declaration) payable by the Owners to meet the expenses of the Association, and shall allocate and assess the Operating Expenses among the Owners thereof as set forth in the Declaration. A part of the Operating Expenses of the Association shall include, among other things, and without limitation, the administrative expenses of the Association, and maintenance, repair and replacement costs of the Association Property, utilities costs, Lot acquisition costs and the costs of all premiums for insurance obtained pursuant to the provisions of the Declaration. The budget of the Association in the discretion of the Board, and as necessary, may include, without limitation, amounts for: funding deficits for any prior year; a reserve for working capital; a reserve for maintenance and replacement; and a general operating reserve.

Section 2. Payment of Operating Expenses. All Owners shall be obligated to pay the Operating Expenses assessed by the Board of Directors pursuant to the provisions of the Declaration and Section 1 of this Article at such time or times as the Board shall determine.

Section 3. Collection of Assessments. The Board of Directors shall assess Operating Expenses against the Owners from time to time as set forth in the Declaration and at least annually, and shall take prompt action to collect any Operating Expenses due from any Owner which remains unpaid for more than thirty (30) days from the due date of the payment thereof. In the event of an increase in such Operating Expenses, the Board of Directors shall advise each Owner, in writing, of such increased assessment at least one month prior to the date of which the first increased payment is due.

Section 4. Default in Payment of Operating Expenses. Default in payment of the Operating Expenses assessed against any Lot shall occur thirty (30) days after the due date thereof, if not then paid. In the event of default by any Owner in paying to the Board of Directors the Operating Expenses as determined by the Board, such Owner shall be obligated to pay interest at the rate as set forth in the Declaration on such Operating Expenses from the due date thereof, and the Board shall have the right and duty to attempt to recover such Operating Expenses, together with late fees, interest, and the expenses of the proceeding, including reasonable attorneys' fees, in any action to recover the same brought against such Owner, or by foreclosure of the lien on such Lot, all in accordance with the Declaration and applicable law.

Section 5. Maintenance and Repair.

(a) **Maintenance of Lots.** All maintenance and repairs to any Lot, ordinary or extraordinary (other than maintenance of and repairs to any portion thereof required to be maintained by the Association pursuant to the terms of the Declaration) shall be made by the Owner of such Lot.

(b) Maintenance of Association Property. All maintenance, repairs and replacements to the Association Property, whether located inside or outside of the Lots (unless necessitated by the negligence, misuse or neglect of a Owner, his guests, lessees, employees, servants or invitees, in which case such expense shall be charged to such Owner), shall be made by the Board and shall be charged to all Owners as a Operating Expense of the Property.

Section 6. Use of Association Property. The Association Property shall be used only for the purposes for which it is intended in furnishing services and facilities for the enjoyment of the Lots.

Section 7. Rules of Conduct. Rules and regulations concerning the use of the Association Property may be promulgated and amended by the Board. Copies of such rules and regulations shall be furnished by the Board to each Owner, and all amendments and new rules and regulations shall be furnished to Owners prior to the time that amendment or new rule or regulation becomes effective.

Section 8. Utility charges. All charges for utilities used in connection with the maintenance and use of the Association Property shall be an Operating Expense.

ARTICLE IX **RECORDS AND AUDITS**

The books and records of the Association shall be subject to inspection by any Member in accordance with N.C. Gen. Stat. § 47F-3-118(a) and Chapter 55A of the North Carolina General Statutes. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. Such documents shall also be made available to lenders, holders, insurers and guarantors of any first mortgages or deed of trust on a Lot.

At least every two years, an outside audit of all receipts and expenditures of the Association and Property shall be performed and provided to all Owners on or before the 90th day following the close of that fiscal year; and covering the unaudited years whether one or two. All books and records shall be kept in accordance with good and accepted accounting practices. A copy of the audit shall be furnished to all mortgagees of Lots who have requested the same.

ARTICLE X **AMENDMENT OF BYLAWS**

These Bylaws may be amended by the Members entitled to vote thereon by two-thirds of the votes cast in person or by proxy, or a majority of the votes entitled to be cast on the amendment, whichever is less, at a meeting duly held in accordance with the provisions of the Bylaws. Such amendment shall be executed in the name of the Association and recorded in the Office of the Register of Deeds of the county in which the Property is located. No such amendment shall be effective until duly recorded as aforesaid.

ARTICLE XII **CONFLICTS**

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.