Bylaws Of

Wood Valley Homeowners Association, Inc.

Article 1
Name, Purposes and Powers

1.1 Name: The name of the Corporation shall be:

WOOD VALLEY HOMEOWNERS ASSOCIATION, INC.

1.2 Purposes And Powers: The purposes for which the Corporation is organized are:

1.2.1 The primary purpose of the Wood Valley Homeowners Association is to maintain the common areas of Wood Valley and provide social activities for the enjoyment of Wood Valley residents.

1.2.2 To undertake the performance of and carry out the acts and duties incident to the administration of the Corporation in accordance with the terms, provisions, conditions and authorization contained in these bylaws.

1.2.3 Not applicable.

1.2.4 To make, request and collect voluntary dues from Wood Valley property owners; to provide the funds to pay for the common expenses of the Corporation and expend the proceeds to promote the use and enjoyment of the common areas (See Exhibit A), including but not limited to the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management, supervision thereof, and the maintenance of insurance.

1.2.5 To employ and pay for the services of attorneys, accountants, and other professionals to represent the Corporation as the need therefor may arise.

1.2.6 Not applicable.

1.2.7 To contract, when duly approved by the Corporation's Board of Directors, for the management of property owned by the Corporation, or of property maintained by the Corporation by written agreement with the owning entity(ies), and to delegate to such manager(s) such powers and duties as may be necessary for such purpose provided such powers and duties are not reserved herein specifically to the Board of Directors.

1.2.8 To have all the common law and statutory powers of a nonprofit corporation, together with all powers reasonably necessary to implement these purposes of the Corporation, as defined by Chapter 55A North Carolina Nonprofit Corporation Act.

1.2.9 To engage in any lawful act for which nonprofit corporations may be organized under the laws of the State of North Carolina.

Article II
Membership And Dues

2.1 Membership: There shall be only one membership available in the Corporation for each lot in the Wood Valley Subdivision. The membership of the Corporation shall consist of the owners of lots located in the Subdivision, including those lands which may be added to the Subdivision later, together with the members of their immediate families over the age of eighteen (18) years who reside with them in the subdivision. In the case of a leased lot, the membership may be held by the lessee(s) of said lot provided the owner(s) of said lot shall have consented thereto in writing. In accordance with the provisions of North Carolina General Statutes §55A-6-01(b), no person shall be admitted as a member without said person's consent. A member shall be deemed to have given such consent by payment of dues to the Corporation.

2.2 New Owners: The purchaser(s) of a lot in the subdivision shall, upon the closing of said purchase, become eligible for membership in the Corporation (subject to the payment of dues), and the membership of the prior owner(s) of said lot shall be thereupon terminated. Neither one's membership in the Corporation nor a member's share in the funds or assets of the Corporation may be assigned, hypothecated or transferred in any manner except as specifically provided herein as an appurtenance to the Subdivision.

2.3 Dues: The annual dues for membership in the Corporation shall be established by the Board of Directors. The dues for the fiscal year January 1, 2023 through December 31, 2023 shall be forty-nine dollars and 50 cents ($49.50) per household. Dues shall not thereafter be increased by the Board of Directors more than ten percent (10%) or ten dollars ($10), whichever is greater, per fiscal year except by the affirmative vote of a majority of the members present and voting in person or by proxy at any annual of general meeting duly called for that purpose. Dues shall be payable on or before January 2nd of each fiscal year. Any dues not paid by the following March 1st shall result in a loss of voting privileges for the delinquent member. A member may resign from the Corporation at any time, however, no partial or full refund will be given for any dues paid for past, present or future fiscal years.

2.4 Member's liability to third parties: In accordance with the provisions of North Carolina General Statutes §55A-6-22, a member of the Corporation is not, as such, personally liable for the acts, debts, liabilities or obligations of the Corporation.

Article III
Meeting of Members

3.1 Annual Meeting: The annual meeting of the Members of the Association shall be held at the principal office of the Association or such other place within the Subdivision as shall be designated by the President, at an hour to be fixed by the President, on the third Tuesday in January of each year for the purpose of electing directors and for the transaction of such other business as may be brought before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

3.2 Substitute Annual Meeting: If the annual meeting shall not be held on the day designated in these bylaws, a substitute annual meeting within the Subdivision may be called in accordance with the provisions of section 3.3 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

3.3 Other Meetings of Members: There may also be held regular meetings of the members during the month of May and September at a place, date, and time to be decided by the President or any two members of the Board of Directors of the Corporation or by ten percent (10%) of the members entitled to vote on the issue proposed to be considered.

3.4 Notice Of Meeting: The notice of each meeting shall be publicly posted not less than ten (10) days prior to the date set for such meeting and, as to special meetings, the notice shall indicate the purpose or purposes thereof.

3.5 Quorum: At any meeting of the members, ten percent (10%) of the voting members are present in person or by proxy shall constitute a quorum of the membership for all purposes.

In the case of an annual meeting or special meeting, only those matters specified in the notice of meeting may be acted upon without a quorum.

If a quorum is not present, the meeting may be recessed from time to time by announcement from the chair at the time such meeting was set, and such announcement shall be sufficient notice of the time and place of the recessed meeting. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

3.6 Organization: The President, or, in his/her absence, the Vice President, shall preside over all meetings of members and the Recording Secretary of the Corporation shall act as Secretary at all meetings of the members; provided, however, in the Recording Secretary's absence, the President may appoint a Secretary for the meeting of the members.

3.7 Voting: Each dues-paying member of the Corporation shall be entitled to one vote on each matter submitted to a vote at a meeting of members. The vote of a majority of the members at a meeting of members at which a quorum is present shall be the act of the members on that matter, unless the vote of a greater number is required by law or by the Articles of Incorporation or the bylaws of the Corporation. Cumulative voting shall not be allowed.

3.8 Action by Written Consent: Action required or permitted to be taken at a meeting of the members may be taken without a meeting if the action is taken by all the written consent of all members entitled to vote on the action. This action shall be evidenced by one or more written consents describing the action taken, signed before or after such action by all members entitled to vote thereon, and delivered to the Recording Secretary for inclusion in the minutes of meetings or for filing with the Corporation's records. If not otherwise determined in accordance with North Carolina General Statues §55A-7-03 or §55A-7-07, the record date for determining members entitled to take action without a meeting is the date the first member signs the consent abovementioned. A consent signed under this section has the same effect as a meeting vote and may be described as such in any document.

3.9 Action by Written Ballot: Unless otherwise prohibited by these bylaws or the Articles of Incorporation and without regard to the requirements of §3.8 above, any action that may be taken at any annual, regular or special meetings of the members may be taken without a meeting if the Corporation delivers a written ballot to every member entitled to vote on the matter. The written ballot shall set forth the proposed action, shall provide the opportunity to vote for or against each proposed action, and shall indicate the time by which the ballot shall be received by the Corporation in order to be counted. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the same total number of votes were cast. A written ballot may be revoked only by written notice delivered to the Recording Secretary prior to its being counted.

3.10 Voting by Proxy: The vote allocated to a member may be cast pursuant to a written, dated proxy signed by the member. A member may revoke a proxy by written notice delivered to the Recording Secretary prior to the commencement of the meeting to which it relates, or by attending the said meeting and voting in person. A proxy shall expire eleven (11) months after its date unless it specifies a shorter term.

3.11 Voting Entitlement: Each member (household or lot, as the case may be) shall have one vote on each matter voted on by members. If a membership stands of record in the name of two or more persons, their acts with respect to voting shall have the following effect:

1. If only one votes, then such vote shall bind all; and
2. If more than one votes, then the votes shall be decided on a prorate basis.

Article IV
Board Of Directors

4.1 Number and Term of Office: The affairs of the Corporation shall be managed by a Board of Directors of seven (7) members, which shall be entitled to act on behalf of the Corporation in all routine, day to day operations, of the Corporation. Said Board shall consist of the President, Vice President, Recording Secretary, Corresponding Secretary, and the Treasurer of the Corporation. In the event the number of officers aforesaid shall be less than seven (7), then the remaining members of the Board of Directors may be selected at-large from among the members of the Corporation at the annual meeting of the members of the Corporation. Any vacancies in at-large Board of Directors members can be left vacant and filled during the year or not at all. The term of the initial Board of Directors shall start immediately after the annual meeting vote until the next annual meeting vote one year later. Thereafter, the term of office for Directors shall be until the successors to such offices shall have been duly elected and qualified.

4.2 Vacancies Change in Number: The number of Directors may be increased or decreased by amendment to these bylaws in the manner provided; provided, however, that a decrease in the number of Directors shall not shorten the term of an Incumbent Director. If a vacancy occurs on the Board of Directors, including a vacancy due to the resignation of a director or an increase in the number of Directors (where the members have not filled said vacancy at the time of its creation), then the said vacancy may be filled by the Board of Directors for a term expiring at the next annual meeting of the members.

4.3 Compensation: No Director shall receive compensation for any service he/she may render to the Corporation; provided, however, that, with prior approval of the Board of Directors and with the Director abstaining, a Director may be: (i) reimbursed for actual expenses incurred in the performance of his/her duties for the Corporation; and (ii) a Director who performs services for the Corporation as an attorney, accountant or other professional representative may be paid for the reasonable value thereof.

4.4 Action Without a Meeting: The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent to the action of all the Directors. Any action so approved shall be effective when the last consent is signed, unless the consent specifies otherwise. Such consent shall be filed in the Corporation's minute book and shall have the same effect as though taken at a meeting of the Board of Directors and may be described as such in any document.

4.5 Meetings: Meetings of the Board of Directors shall be held from time-to-time without notice, at such place, date, and hour, as may be fixed from time-to-time by resolution of the Board. Special meetings of the Board of Directors may be called by the President or any other two (2) Directors upon not less than five (5) days notice to each Director.

4.6 Quorum: A majority of the Directors in office immediately before a meeting shall begin shall constitute a quorum for the transaction of business; provided, however, that in no event shall a quorum be less than two (2) Directors. Every act or decision done or made by a majority of the Directors present at a duly held meeting shall be regarded as the act of the Board of Directors.

4.7 Powers and Authority Of The Board Of Directors: Subject to the provisions contained herein and applicable law, the Board of Directors shall have the power and authority to exercise all of the rights and powers of the Corporation, including, but not limited to, the following powers:

4.7.1 To take appropriate action to maintain the property of the Corporation and common areas (See Exhibit A).

4.7.2 To suspend the voting rights and the membership of a member during any period in which such member shall be in default in the payment of any dues; and to suspend such rights, after notice, for infraction of published rules and regulations for a period of at least sixty (60) days;

4.7.3 To declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive meetings of the Board of Directors;

4.7.4 To employ a manager, an independent contractor, or other employees as is deemed necessary, and prescribe their duties and compensation; provided, however, that any contract for professional management must contain a clause requiring not more than thirty (30) days' termination notice;

4.7.5 To procure, maintain, and pay premiums on, insurance policy(ies);

4.7.6 Not Applicable;

4.7.7 To exercise any other powers necessary and proper for the governance and operation of the Corporation; and

4.7.8 To have and to exercise all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

4.8 Duties Of The Board Of Directors: It shall be the duty of the Board of Directors to do the following:

4.8.1 To cause the common elements to be maintained, repaired, and replaced as necessary, and raise dues as necessary to recover the cost of the upkeep thereof.

4.8.2 Not applicable.

4.8.3 To keep a complete record of all its acts and corporate affairs and present a statement thereof to the members at the annual meeting, or at any special meeting when such statement is requested in writing by twenty percent (20%) of the members.

4.8.4 To supervise all officers, agents and employees of the Corporation and see that their duties are properly performed.

4.8.5 To fix the amount of the annual dues in advance of each fiscal year based on the projected budget for said fiscal year.

4.8.6 Publicly post notice of the assessment of voluntary dues at least thirty (30) days in advance of the due date.

4.8.7 Not applicable.

4.8.8 No assessments shall be levied against members of the Corporation by the Corporation or by the Board of Directors.

4.8.9 To procure and maintain, always, adequate hazard insurance on the property owned by the Corporation, and sufficient liability insurance to adequately protect the Corporation as deemed necessary; and

4.8.10 To cause all officers or employees of the Corporation, and officers and employees of professional management services employed by the Corporation, having fiscal responsibilities, to be bonded or insured.

4.8.11 To approve any single expenditure of the Corporation's funds in excess of five hundred dollars ($500.00).

4.9 <u>Committees:</u> Except as otherwise provided for herein, the Board of Directors at any time may define the need for any committees of the Board of Directors and the duties thereof and may select the person(s) to serve thereon. Membership on committees of the Board of Directors shall be limited to Directors. All actions of any committee shall be subject to the approval of the Board of Directors unless the Board shall specifically authorize the committee to exercise the Board's authority beforehand.

4.10 <u>Sub-committees can be formed by the Board of Directors. Members of any sub-committee shall be approved by The Board of Directors or as delegated to a Director who oversees the sub-committee.</u> All actions of any sub-committee shall be subject to the approval of the Board of Directors or overseeing Director unless the Board shall specifically authorize the sub-committee to exercise the Board's authority beforehand.

4.12 Operating Agreement: The Board of Directors may maintain an Operating Agreement defining the roles and expectations of the Directors. This Operating Agreement does not supersede these bylaws, but rather help maintain continuity of the board over time. The Operating Agreement is a record managed by the Board of Directors.

Article V
Officers

5.1 Officers: The officers of the Corporation shall be a President, Vice President, Recording Secretary, Corresponding Secretary, Treasurer, and such assistant officers as may be designated from time-to-time by the Board of Directors.

5.2 Election of Officers: Each officer shall be elected from member-candidates nominated from the floor at the annual meeting of the members of the Corporation. Election shall be by a majority of the members present at such meeting in person or by proxy provided that a quorum is present. Cumulative voting shall not be allowed. Each officer elected shall serve until the next annual election and until his/her successor shall have been elected and qualified. The Board of Directors may fill any vacancy created by the death, resignation or removal of an officer for a term to expire at the next annual meeting of the members of the Corporation.

5.3 Powers and Duties of The Officers:

5.3.1 The President shall preside at all meetings of the Board; he/she shall see that orders and resolutions of the Board are carried out, he/she has overall responsibility for running the WVHOA, facilitates Board Meetings, and Annual or General Member Meetings, approves newsletters and other communications before publication, assigns responsibility for specific projects and events, and has check writing authority (but defers to Treasurer-AP when available).

5.3.2 The Vice President shall act in the place of the President in the event of his/her absence, or his/her inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors.

5.3.3 The Recording Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; he/she shall serve (or delegate) notice of meetings of the Board and of the members; he/she shall keep appropriate current records showing the members of the Corporation together with their addresses; and he/she shall perform such other duties as are required by the Board of Directors.

5.3.4 The Corresponding Secretary shall prepare, or cause to be prepared, a newsletter or equivalent as directed by the Board, and shall deliver, or cause to be delivered, such newsletter to all active members and such others as is deemed appropriate by the Board, and said newsletter shall be produced and distributed at a frequency determined by the Board. The Corresponding Secretary shall be responsible for maintaining the neighborhood website, woodvalleyhoa.org, and the neighborhood email list and distribution of electronic communications.

5.3.5 The Treasurer role may be split into Accounts Payable and Accounts Receivable, or these roles may be combined by the Board of Directors. An audit of the Corporation's finances may be required by a vote of the majority of the Board of Directors or by an affirmative vote of a majority of the members present and voting in person or by proxy at any annual meeting or any general meeting duly called for that purpose.

5.3.5.1 The Treasurer – Accounts Payable shall pay and record all bills (water, electricity, maintenance, fireworks, events…) and maintain all other Wood Valley HOA financial records or oversight of these responsibilities. He / She has check-writing authority.

5.3.5.2 The Treasurer – Accounts Receivable will collect and deposit dues in the neighborhood WVHOA bank account utilizing PayPal, neighborhood PO Box, and any other method deemed appropriate for member payments. He / She will maintain records of dues paid, and respond to inquiries from homeowners, members, and real estate attorneys throughout the year when houses are bought/sold. He / She does not have check writing authority.

5.3.6 At Large Directors shall have roles specified by the President or the Board of Directors for specific projects or to support/fill-in for other Directors as needed.

5.5 <u>Removal:</u> Any officer may be removed with or without cause by a vote of at least sixty-seven percent (67%) of all members present in person or by proxy and entitled to vote at any meeting of the members called for that purpose or at any meeting which a quorum is present. In the event of death, resignation or removal of an officer, his/her successor shall be selected by the Board to serve until the next annual meeting of the members.

Article VI

Books And Records

6.1 The books, records, and papers of the Corporation shall always, during reasonable business hours, be subject to inspection by any member or a mortgagee of any member. The Articles of Incorporation, and these bylaws shall be available for inspection by any member within a reasonable amount of time or at the next membership meeting in person, where a copy may be provide to a member given reasonable prior notice to the Board of Directors.

Article VII
Forms Of Proxy and Waiver

7.1 Form of Proxy: The following form of proxy shall be deemed sufficient, but any other form may be used which is sufficient in law:

Wood Valley Homeowners Association, Inc.

I, the undersigned member of Wood Valley Homeowners Association, Inc. (the “Corporation”), hereby constitutes and appoints ________________________ (the “Proxy”) as my proxy to vote on my behalf at any annual or special meeting of the members of the Corporation at which I am not present until the Secretary of the Corporation receives from me a letter revoking this proxy.
I hereby give and grant unto said proxy full power of substitution and revocation.
Dated: ____________________

Member Signature: ________________________

Member Printed Name: ______________________________

Address: ____

7.2 Form of Waiver of Notice: The following form of waiver of notice shall be deemed sufficient, but any other form may be used which is sufficient in law:

Wood Valley Homeowners Association, Inc.

We the undersigned members of the Board of Directors of Wood Valley Homeowners Association, Inc. (the "Corporation") do hereby severally waive notice of the time, place, and purpose of the (annual or a special) meeting of the Board of Directors of the Corporation and consent that same be held at on the _______ day of ____________ at ______ o'clock, and we do further consent to the transaction of all business of any nature that may come before the meeting.

Dated: ___________

Director Signature: _____________________

Printed Name: ____________________________

Article VIII

No Personal Liability

8.1 To the fullest extent permitted by applicable law, no officer or director of the Corporation shall have any personal liability arising out of any action whether by or in the right of the Corporation or otherwise for monetary damages for breach of any duty as an office or director. This section shall not impair any right from the Corporation that an officer or director may now or hereafter have. Any repeal or modification of this section shall be prospective only and shall not adversely affect any limitation hereunder on personal liability of an officer or director with respect to acts or omissions occurring prior to such repeal or modification.

8.2 To the fullest extent permitted by applicable law, no member of the Corporation or homeowner in the Wood Valley subdivision shall have any personal liability arising out of any action taken by the Corporation or any Director of the Board.

8.3 The Board of Directors and the Corporation do not have any authority to levy assessments or limit, restrict, or allow any enforcement of Covenants associated with the members' properties. All architectural committee language in the Covenants will be deem null and void as it pertains to the Corporation and the Board of Directors. Any actions taken by homeowners must follow all applicable laws and no architectural or neighborhood oversight is available or enforceable by the Corporation or the Board of Directors.

Article IX
Limitations On Payment of Corporate Assets

9.1 In accomplishing its purposes and objectives, no part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, directors or any other private persons except that: (i) the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes as set forth herein; and (ii) the Corporation may rebate to its members any excess dues previously paid. Notwithstanding any other provisions of this article, the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income taxation under §501(c)(7) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of a future United States Internal Revenue Code (the "Code").

In the event of a dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purpose of the Corporation to such organization(s) under §501(c) of the Code as the Board of Directors shall then determine. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes and to such organization(s) as are set forth above.

Article X
General Provisions

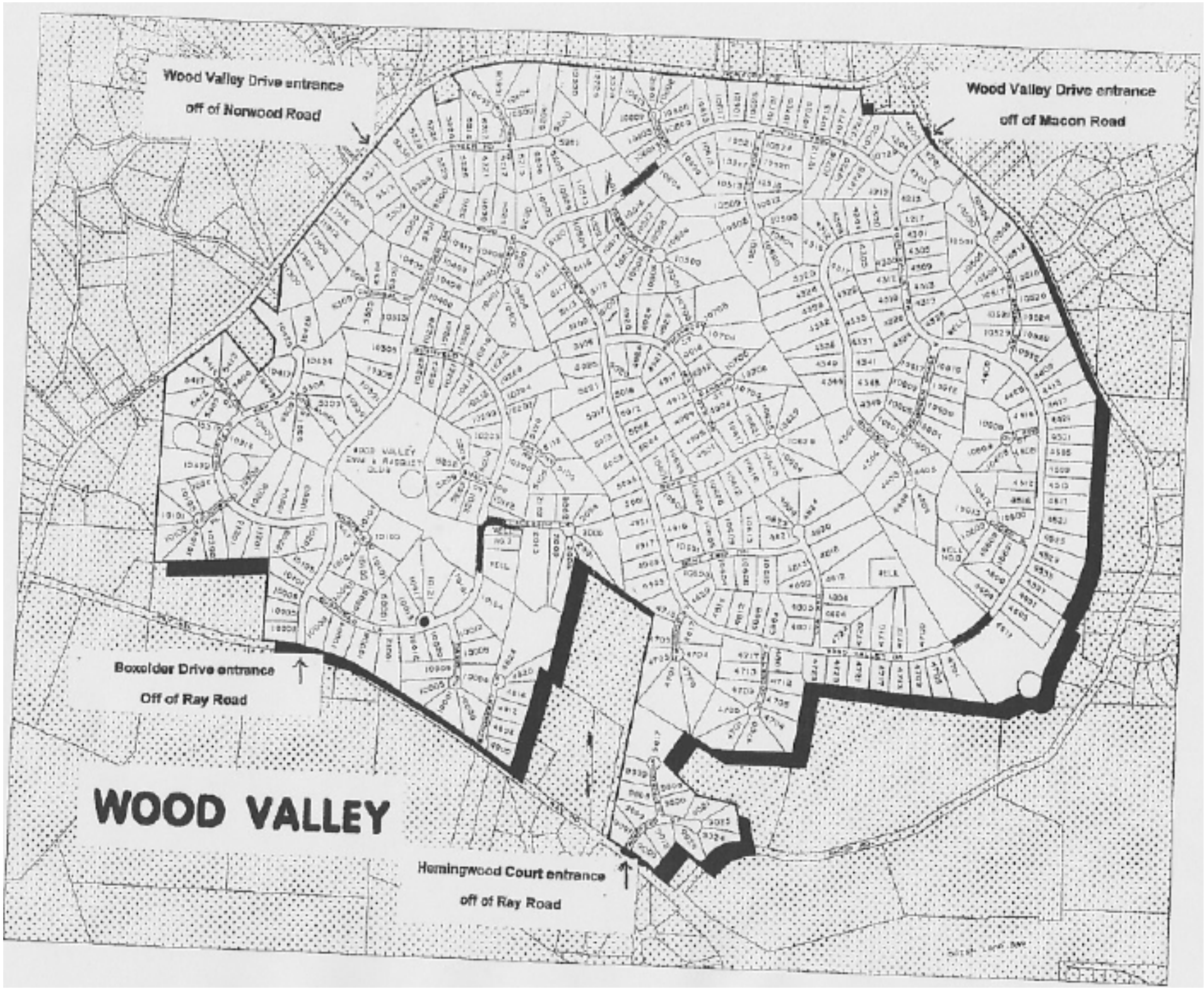
10.1 Amendments: Except as otherwise provided herein, these bylaws may be amended or repealed, and new bylaws may be adopted only by a majority affirmative vote of all the members present in person or by proxy at any meeting of the members called for that purpose at which a quorum is present.

10.2 Corporation Seal: A seal with the words “Wood Valley Homeowners Association, Inc.” on the outer circle and the date 1994 within the circle, shall be the corporate seal of the Corporation and shall be in the custody of the Corresponding Secretary.

Certification

Not applicable.

Exhibit A: Common Area Map



WVHOA Common Area Maintained (Landscaping & 4 Entrance Signs)

The Wood Valley entrance signs exist on easements. The signs themselves and the landscaping are the property of the Wood Valley Homeowners Association.

Common areas owned by Wood Valley Swim & Racquet Club:

- 10110 Bushveld Ln
- 10108 Bushveld Ln
- 4620 Wood Valley Drive