

**BYLAWS
OF
WOODHALL HOME OWNERS' ASSOCIATION, INC.**

**ARTICLE 1
DEFINITIONS**

All capitalized terms not expressly defined in these Bylaws shall have the meaning given to that term in the Woodhall Declaration of Covenants, Conditions and Restrictions recorded at Book 1626, Page 007, of the Union County, North Carolina, Registry on August 16, 2001 (the "Declaration") as amended or modified from time to time.

**ARTICLE 2
OFFICES**

- Section 1. Principal Office. The principal office of the Association shall be located at 6401 Carmel Road, Suite 105, Charlotte; Mecklenburg County, North Carolina 28226.
- Section 2. Registered Office. The initial registered office of the Association is 6401 Carmel Road, Suite 105, Charlotte; Mecklenburg County, North Carolina 28226.
- Section 3. Other Offices. The Association may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may designate or as the affairs of the Association may require from time to time.

**ARTICLE 3
MEMBERS**

- Section 1. Membership. All Owners shall be Members of the Association. Membership is only available to Owners and the Declarant. Membership will be extinguished upon the complete transfer of all Lots held by any Member.

**ARTICLE 4
MEETINGS OF MEMBERS**

- Section 1. Annual Meetings. The first annual meeting of the Members shall be held within 90 days of incorporation, or on such other date as determined by a vote of the Board of Directors, and each subsequent regular annual meeting of the Members shall be held approximately one year (350 to 380 days) after the preceding meeting. The Board of Directors shall have the right to change the time for the Annual Meeting if such change better fits with the fiscal year selected by the Board. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.
- Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President, a majority of the Board of Directors, or upon written request of the Members who are entitled to vote one-tenth (1/10) of all of the votes appurtenant to the Lots.

- Section 3. Place of Meetings. All meetings of the Members shall be held at such place, within Union County, North Carolina, as shall be determined by the Board of Directors of the Association. The preferred site for any meeting of the Members shall be at a location near, or within, the Subdivision.
- Section 4. Notice of Meetings. Written notice of each meeting of the 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 ten (10) days nor more than sixty (60) days before the date of such meeting to each Member entitled to vote thereat, either hand delivered or mailed prepaid to each Lot or to any other mailing address supplied by a Member to the Association, in writing, for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-Laws, any budget changes, and any proposal to remove a Director or officer.
- Section 5. Classes of Lots and Voting Rights. The voting rights of the Membership shall be appurtenant to the ownership of Lots. There shall be two classes of Lots with respect to voting rights.
- (a) Owners Class. Owners Class shall be all Lots except for Declarant prior to its termination of its Founders Class Lots as defined below. Each Owners Class Lot shall entitle the Owner(s) of said Lot to one (1) vote for each Owners Class Lot owned. The vote for any one Lot owned by more than one person or entity (other than a leasehold or security interest) shall be exercised as they, among themselves shall determine, but in no event shall the vote or votes with respect to any jointly owned Lot be split or case separately. If at any time, Declarant owns one or more Lots subsequent to the termination of its Founders Class Membership, Declarant shall then be an Owners Class Member.
 - (b) Founders Class Lots. Founders Class Lots shall be all Lots owned by Declarant which have not been conveyed to purchasers who are not affiliated with the Declarant. The Founders Class Membership shall terminate at such time as Declarant has conveyed all of its interest in the Property (including any Additions). The Declarant shall be entitled to ten (10) votes for each Founders Class Lot it owns.
- Section 6. Period of Declarant Control. For a period ending not earlier than two years following the recordation of the Declaration on August 14, 2001, and for so long as the Declarant owns at least two (2) Lots in the Subdivision, the Declarant shall have the exclusive authority to designate, appoint and remove all members of the Board of Directors and the Association's Officers. No Director or Officer appointed by the Declarant shall be removed by the Members or Board of Directors. The time period during which the Declarant holds the exclusive authority to appoint and remove members of the Board of Directors and Officers may be referred to in these Bylaws as the "Period of Declarant Control".

- Section 7. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes appurtenant to the Lots shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, that meeting may be adjourned to a later date by the affirmative vote of a majority of those Member Votes present in person or by proxy. The quorum requirement at the next meeting shall be one-half (1/2) 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 from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.
- Section 8. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.
- Section 9. Action by Members. Except as provided otherwise in the Articles of Incorporation, the Declaration or these Bylaws, any act or decision approved by a vote of no less than a majority of all votes present at a duly held meeting of the Members at which a quorum is present shall be regarded as the act of the Members.
- Section 10. Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required and any business may be transacted at such meeting.
- Section 11. Informal Action by Members. Any action which may be taken at a meeting of the Members 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 action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book.
- Section 12. Unless otherwise herein provided, all meetings shall be conducted in conformity with Roberts Rules of Order, Newly Revised.

ARTICLE 5 BOARD OF DIRECTORS

- Section 1. General Powers. The affairs of the Association shall be managed by its Board of Directors who shall endeavor to carry out the purposes described in the Articles of Incorporation. The Board of Directions is equivalent to the Executive Board described in North Carolina Planned Community Act §47-F-103(13). The Board of Directors shall not have the right to delegate any of its powers to any other persons or any managing agent except the Officers as described in these Bylaws.

each year at the annual meeting of Members upon the vote of two-thirds (2/3) of those Members entitled to vote thereon, but shall be no less than three (3) and no more than nine (9). It is anticipated that the number of Directors may be increased as additional Members join the Association. Each Director shall be an individual who will hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been elected and qualified; except that, however, no Director (other than a Director appointed by the Declarant) may serve more than three consecutive terms.

After the Period of Declarant Control, at least a majority of the Board of Directors shall be Members of the Association.

- Section 3. Election. During the Period of Declarant Control, the Declarant shall appoint and remove all Members of the Board of Directors. Not later than the end of the Period of Declarant Control, the Members shall elect a Board of Directors of at least three (3) Members, at least a majority of whom shall be Owners. The Board of Directors shall then elect the Officers. The Board of Directors and Officers shall take office immediately upon election. Thereafter, Directors shall be elected at the annual meeting of the Members and shall serve staggered three (3) year terms. The initial election following after the Period of Declarant Control may provide for differing terms of one (1) year, two (2) years and three (3) years for different Director slots in order to create staggered terms.
- Section 4. Removal. Any Director other than a Director appointed by the Declarant, may be removed at any time with or without cause by a vote of the Members holding a majority of the outstanding votes entitled to vote at any meeting of the Members at which a quorum is present.
- Section 5. Vacancies. After the Period of Declarant control, any vacancy occurring in the Board of Directors, including, without limitation, a vacancy resulting from an increase in the number of Directors or from the failure by the Members to elect the full authorized number of Directors, may be filled by the Members or the Board of Directors, whichever group shall act first. If the Directors remaining in office do not constitute a quorum of the Board, the Directors may fill the vacancy by the affirmative vote of a majority of the remaining Directors.
- Section 6. Chairman of Board. There may be a Chairman of the Board of Directors elected by the Directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.

ARTICLE 6 MEETINGS OF DIRECTORS

- Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of Members. In addition, the Board of Directors may provide, by resolution, the time and place, either

within or without the State of North Carolina, for the holding of additional regular meetings.

- Section 2. Other Meetings. Meetings of the Board of Directors shall be held at least quarterly at a time and place determined by the Board of Directors. Notice of these meetings shall appear in any publication of the Association. Special meetings of the board of Directors may be called by or at the request of the President or any two Directors. Such a meeting may be held either within or without the State of North Carolina, as fixed by the person or persons calling the meeting.
- Section 3. Notice of Meetings. Regular or quarterly meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.
- Section 4. Waiver of Notice. Any Director may waive notice of any meeting. The waiver must be in writing, signed by the Director entitled to the notice and delivered to the Association for inclusion in the minutes or filing with the corporate records. A Director's attendance at or participation in a meeting waives any required notice of such meeting unless the Director at the beginning of the meeting (or promptly on arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.
- Section 5. Quorum. A majority of the number of Directors in office must be present to constitute a quorum for the transaction of business at any meeting of the Board of Directors. In the event business cannot be conducted at any meeting of the Board of Directors because a quorum is not present.
- Section 6. Manner of Acting. Except as otherwise provided in these bylaws, 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. Presumption of Assent. A Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless (a) he objects at the beginning of the meeting (or promptly upon his arrival) to holding it or transacting business at the meeting, or (b) his dissent or abstention from the action taken is entered in the minutes of the meeting, or (c) he files written notice of his dissent or abstention with the presiding officer of the meeting before its adjournment or with the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.
- Section 8. Action Without Meeting. Action required or permitted to be taken at a meeting of the Board of Directors may be taken without meeting if the action is taken by all Members of the Board. The action must be evidenced by one or more written consents signed by each Director before or after such action, describing the action taken, and included in the minutes or filed with the corporate records. The Secretary is hereby authorized to deem the facsimile transmission of such written consent as a valid consent meeting the

requirements of this Section.

Section 9. Committees of the Board. The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by these bylaws, may designate two or more Directors to constitute an Executive Committee and other committees, each of which, to the extent authorized by law and provided in such resolution, shall hold meetings, research matters, plan, hold discussion sessions, make recommendations to the Board, and the like, but shall not have the power to bind the Lot Owners by vote or otherwise.

Section 10. 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 Owners 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 contract 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 that they are Owner(s).

ARTICLE 7 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Areas and facilities, including but not limited to, the Street Lights, Entrance Monument, Amenity Area and Private Roads in the Subdivision, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights 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 of hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties;
- (f) employ attorneys to represent the Association when deemed necessary;

- (g) unless N.C.G.S. §47E-3-112 requires the approval of a certain percentage of the votes of Members, grant easements for the installation and maintenance of septic, sewer or water lines and other utilities or drainage facilities upon, over, under and across the Common Areas without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Property;
- (h) except for officers appointed by the Declarant, appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, and require of them such security or fidelity bond as it may deem expedient;
- (i) do anything necessary or desirable, including, but not limited to, establishing any rules or regulations which the Association deems necessary to carry out the purposes of the Association as set forth herein or as permitted by law, as limited by the Articles of Incorporation, the Declaration and the Act;
- (j) enforce the provisions of the Declaration and any Amendment or Supplementary Declaration and any rules or regulations made hereunder or thereunder and to enjoin and/or, at its discretion, seek damages or other relief for violation of such provisions or rules;
- (k) levy assessments as more particularly set forth in the Declaration; and
- (l) pay the premiums on all insurance carried by the Association;

Section 2. 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 when such statement is requested in writing by Members entitled to at least one-tenth (1/10) of the votes appurtenant to the Lots;
- (b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration:
 - (1) fix the amount of the Annual, Annual Supplemental, and Special Assessments against each Lot; and
 - (2) send written notice of each assessment to every Owner subject thereto a reasonable period before its due date;
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth the amount of unpaid assessments and any other charges against a Lot. Such certificate shall be furnished within ten (10) business days after receipt of written request and shall be binding upon the

Association, the Board of Directors and every Owner;

- (e) procure and maintain adequate liability insurance covering the Association and the directors and officers thereof and adequate hazard insurance on the property owned by the Association, and to divide appropriate portions of such related costs between the applicable assessments described in the Declaration. Liability insurance shall cover all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership or maintenance of the common areas.
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) cause the Common Areas to be maintained, and if damaged, to repair or replace such Common Areas (and any improvements located thereon) as they see fit.

Section 3. General.

- (a) The Board of Directors, except as provided in the Declaration, elsewhere in these By-Laws or the Act, the Board of Directors may act in all instances on behalf of the Association. In the performance of their duties, members of the Board of Directors shall discharge their duties in good faith.
- (b) The Board of Directors may not act unilaterally on behalf of the Association to amend the Declaration, terminate the status of the Subdivision as a "planned community", elect members of the Board of Directors (except to fill vacancies for the unexpired portion of any term), or determine the qualifications, powers, duties or terms of office of members of the Board of Directors.
- (c) By a majority vote of all Members present and entitled to vote at any meeting of the Members at which a quorum is present, the Members may, by majority vote remove any member of the Board of Directors with or without cause, other than a Director appointed by the Declarant.
- (d) Property insurance on any improvements owned by the Association shall insure against all risks of direct physical loss commonly insured against, including fire and extended coverage perils. The total amount of hazard insurance coverage after application of any deductibles shall be not less than eighty percent of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies.
- (e) All insurance policies carried under this Article VII, Section 3 shall provide that:
 - 1. the Declarant and each Owner is an insured person under the policy to the extent of their insurable interests;
 - 2. the insurer waives its right to subrogation under the property against

- the Declarant, any Owner, or member of the Owner's household;
3. no act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will preclude recovery under the policy; and
 4. if, at the time of loss under the policy, there is other insurance in the name of the Declarant or an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

ARTICLE 8 OFFICERS

- Section 1. Officers of the Association. The officers of the Association shall consist of a President, a Secretary, a Treasurer and a Vice-President. Any two or more offices may be held by the same person, as more specifically described in the Articles of Incorporation, but no officer may act in more than one capacity where action of two or more officers is required. No officer shall have the right to delegate any of the powers of his or her office to any other person. The Board of Directors shall not delegate any authority or power granted herein to an officer, to any other person.
- Section 2. Appointment and Term. Following the Period of Declarant Control, the Directors of the Association shall elect Officers from the Membership, who shall serve for one (1) year terms. Officers elected by the Directors shall not serve more than five (5) complete consecutive terms. An officer's term will be terminated by his or her death, resignation, retirement, removal, or disqualification.
- Section 3. Compensation of Officers. Officers shall not receive compensation for their service in that capacity, but if authorized by the Board of Directors, the Officers may be reimbursed for out of pocket expenditures incurred in the performance of their duties.
- Section 4. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby.
- Section 5. Resignation. An officer may resign at any time by communicating his resignation to the Association, in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. If a resignation is made effective at a later date which is accepted by the Association, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.
- Section 6. Bonds. The Board of Directors may by resolution require any officer, agent, or employee of the Association to give bond to the Association, with sufficient sureties, conditioned on the faithful performance of the duties of his respective office or position, and to comply with such other conditions as may from time to time be required by the Board of Directors.
- Section 7. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the affairs of the Association. He or She shall, when present, preside at all

meetings of Members. He or She shall sign, with the Secretary, or any other proper officer of the Association thereunto authorized by the Board of Directors, certificates for votes of the Association, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

The President shall specifically be responsible for delegating responsibility for federal and state tax compliance (including annual application for exempt status with regard to income, employee and ad valorem taxes).

The duties of the President shall include:

- Presiding at all meetings of the general Membership.
- Signing with another officer any contracts or other instruments which may be lawfully executed on behalf of the Association.
- Perform other duties as may be prescribed by the Board of Directors.

Section 8. Vice President. At the request, absence or disability of the President, the Vice President shall perform the duties and possess and exercise the powers of the President and shall perform such other duties as may be assigned by the President or the Board of Directors.

Section 9. Secretary. The Secretary shall:

- (a) keep the minutes of the meetings of Members, of the Board of Directors and of all Executive Committees in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized;
- (d) keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member;
- (e) prepare or cause to be prepared Member lists prior to each meeting of Members as required by law;
- (f) attest the signature or certify the incumbency or signature of any officer of the Association;
- (g) prepare and transmit notices of Assessments and maintain records of the payments received from Members;

- (h) carry out the duties assigned herein with regard to collecting delinquent assessments; and
- (i) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 10. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such depositories as shall be selected by the Board of Directors; (b) maintain appropriate accounting records as required by law; (c) prepare, or cause to be prepared, annual financial statements of the Association that include a balance sheet as of the end of the fiscal year and a cash flow statement for that year, which statements, or a written notice of their availability, shall be mailed to each Member within 120 days after the end of such fiscal year; and (d) in general perform all of the duties as from time to time may be assigned to him or her by the President or by the Board of Directors, or by these Bylaws.

Section 11. Vacancies. Except during the Period of Declarant Control, the Board of Directors shall fill any vacancy that may occur in the duration of the remaining term of office of an officer.

ARTICLE 9 FINANCES

Section 1. Association Income. The Association shall be supported by Assessments, Supplemental Annual Assessments, Special Assessments, donations and any other funds received through other fund raising activities and/or projects.

Section 2. Budget. Anticipated capital expenditures, maintenance, and operating expenses shall be budgeted annually. Such budgets shall be submitted by the Treasurer for approval by the Board of Directors no later than one month prior to the start of the fiscal year. A proposed budget shall be deemed approved by the Board of Directors upon the affirmative vote of a majority of a quorum.

Within thirty (30) days after Director approval of any proposed budget for the Subdivision, the Board of Directors shall provide to all Members a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The meeting for consideration of the proposed budget shall be set for not less than ten (10) or more than sixty (60) days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The meeting for purposes of consideration of the budget may be combined with the annual member's meeting or any other meeting of the members.

The budget is ratified unless at the budget meeting, a majority of all the votes allocated to the Declarant and Owners in the Association rejects the budget. In the event the

proposed budget is rejected, the periodic budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board of Directors.

- Section 3. Checks and Deposits. All checks, drafts or other orders for payment of money, issued in the name of the Association, shall be signed by any officers or other persons designated by the Board of Directors. All funds of the Association shall be deposited in such federally insured depositories as the Board of Directors may select.
- Section 4. Expenditures. No funds of the Association shall be used for salaries or other compensation for any officer or Member except upon approval of the Board of Directors. No officer or Member shall incur, in the name of the Association, financial obligations that are not budgeted. Personal funds spent by any officer or Member shall be reimbursed only upon approval by the Board of Directors.
- Section 5. Dissolution. In the event of dissolution of the Association, all assets remaining after payment of legitimate expenses shall be transferred as specified in the Articles of Incorporation of the Association as last amended. This Section may never be amended except as may be necessary to keep this Association qualified and tax-exempt under the Internal Revenue Laws of the United States of America.

ARTICLE 10 COMMON AREA

The Board of Directors may, from time to time, propose rules and regulations for the upkeep and use of any Common Areas. After approval by a majority of the votes allocated to the Members, such Rules and regulations shall be binding upon the Members, and all users.

ARTICLE 11 CONTRACTS, LOANS, CHECKS AND DEPOSITS

- Section 1. Contracts. The Board of Directors may authorize any officer or officers, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.
- Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.
- Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by such officer or officers, of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.
- Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select.

**ARTICLE 12
RECORD DATES FOR VOTING BY MEMBERS**

Section 1. Fixing Record Date. The Board of Directors may fix a future date as the record date in order to determine the Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or in order to make a determination of Members for any other proper purpose. Such record date may not be more than sixty (60) days before the meeting or date on which the particular action requiring such determination of Members is to be taken. A determination of Members entitled to notice of or to vote at a Member's meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting, which it must do if the meeting is adjourned to a date more than sixty (60) days after the date fixed for the original meeting.

If no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the close of business on the day before the first notice of the meeting is delivered to Members or the date on which the resolution of the Board of Directors declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members.

Section 2. Holder of Record. Except as otherwise required by law, the Association may treat the person in whose name the votes stand of record on its books as the absolute owner of the votes and the person exclusively entitled to receive notification and distributions, to vote and to otherwise exercise the rights, powers and privileges of ownership of such votes.

**ARTICLE 13
ASSESSMENTS**

Section 1. Types of Assessments. As more fully provided in the Declaration, each Member is obligated to pay to the Association the following assessments: Annual Assessments, Supplemental Annual Assessments, and Special Assessments.

Section 2. Late Payments. Any assessments which are not paid when due shall be delinquent. If an assessment is not paid by its due date, as set forth in the Declaration, the assessment shall bear interest from such due date as specified in the Declaration, plus such late charge as may be established by the Board of Directors, and the Association may bring an action at law against the Member personally obligated to pay the same. The late charges, costs of collection and reasonable attorneys' fees related to any such action shall be added to the amount of such assessment, all in accordance with the provisions of the Declaration. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area.

Section 3. Notice of Proposed Assessments. Any proposal for any new or increased assessment of any type must be posted on the Agenda for the meeting at which the proposal will be considered at least 15 days prior to said meeting, with notice of such Agenda item made available to the Members, unless a procedure giving a greater amount of notice is provided by the Declaration.

ARTICLE 14
GENERAL PROVISIONS

Section 1. Seal. The Association need not have a corporate seal. If at any time the President or the Directors desires to adopt a corporate seal, it may consist of two concentric circles between which is the name of the Association and in the center of which is inscribed the word "SEAL" and such seal may be drawn or otherwise created.

Section 2. Indemnification. Any person who at any time serves or has served as a Director or officer of the Association, shall have a right to be indemnified by the Association to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the Association, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty or settlement for which he may have become liable in any such action, suit or proceeding.

The Board of Directors of the Association shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by this bylaw, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and giving notice to, and obtaining approval by, the Members of the Association.

Any person who at any time after the adoption of this bylaw serves or has served in any of the aforesaid capacities for or on behalf of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this bylaw.

Section 3. Fiscal Year. The fiscal year of the Association shall be fixed by the Board of Directors.

Section 4. Amendments. Except as otherwise provided herein, these bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the Directors then holding office at any regular or special meeting of the Board of Directors where a quorum exists. During the Period of Declarant Control, the Bylaws may only be amended, repealed or replaced with the additional affirmative consent of the Declarant.

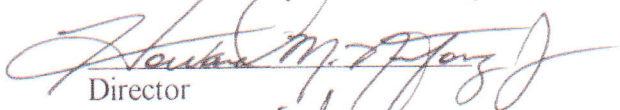
The Board of Directors shall have no power to adopt a bylaw: (1) prescribing quorum or voting requirements for action by Members or Directors requiring less Members or Directors to be present than the number prescribed by the Act or North Carolina statutes concerning non-profit corporations; or (2) increasing or decreasing the number of Directors.

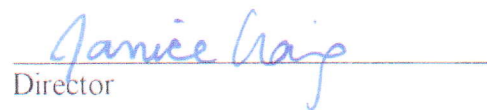
No bylaw adopted, amended or repealed by the Members shall be amended, repealed or readopted by the Board of Directors, except to the extent that such bylaw expressly authorizes its amendment, readoption or repeal by the Board of Directors or that such is authorized by the Articles of Incorporation.


Section 5. Nondiscriminatory Policy. The Association shall not discriminate on the basis of race, color, sex or national and ethnic origin in the administration and conduct of any of its policies, programs or activities.

Section 6. Execution of Amendments to the Declaration. If at any time the execution of the Association is required upon an amendment to the Declaration, such execution shall be made by the president or vice president as executive officer and the executive officer's signature shall be attested by the corporate secretary. The Association has no authority to unilaterally prepare or record any amendments to the Declaration. The president may, from time to time, prepare photocopies of the recorded Declaration and certify those copies to members or other interested parties as being true and accurate copies of the entire recorded Declaration.

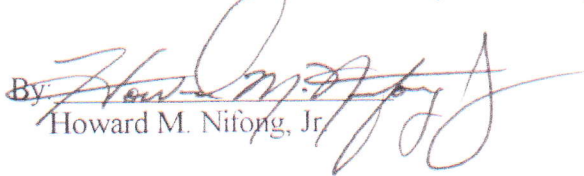
These Bylaws are hereby adopted this the 31st day of August, 2001.


Director


Director


Director

DECLARANT: Woodhall Development Group, LLC

By 
Howard M. Nifong, Jr.