

BYLAWS OF WOOD VALLEY HOMEOWNERS ASSOCIATION, INC.

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Article I – Name, Purpose and Membership

The name of the corporation is Wood Valley Homeowners Association, Inc. The principal office of the Association shall be located in Raleigh, Wake County, North Carolina, but meetings of members and directors may be held at such places within the County as may be designated by the Board of Directors. The Association is a not-for-profit entity and has no power to enforce or affect the covenants governing the land use rights of any of its members.

The purpose of the corporation is to maximize the influence and efforts of the residents of the Wood Valley and Heavenridge subdivisions in Wake County, North Carolina for the promotion and execution of civic, educational and social activities, and more specifically to:

- have maintenance responsibility for the entrance way signs, lighting and irrigation systems.
- ensure the Association’s ability, survivability, and financial liquidity.
- provide and encourage social gatherings for members.
- represent the members in matters of community interest as approved by vote and that are consistent with the Bylaws, Articles of Incorporation and covenants.
- provide and encourage communications throughout the subdivision.
- solicit and raise funds to continue and enhance its operations, as is consistent with the Bylaws, Articles of Incorporation and covenants.
- help maintain property values to the extent possible and compatible with its authority.

Members are self-declared members per annum by voluntary contribution to the Annual Appeal from the corporation.

These Bylaws are in accordance with the NCGS (North Carolina General Statute) 55A North Carolina Nonprofit Corporation Act. NCGS 55A prevails where defined in all cases of omissions, errors or otherwise in this document.

Article II – Definitions

Section 1. " Annual Appeal"

“Annual Appeal” shall mean the voluntary annual appeal of dues that are payable by December 31st of each year for the following year’s membership. There is only one Annual Appeal made per year. The Annual Appeal amount is

limited in terms of a year to year increase to no more than ten percent (10%) of the prior year's Annual Appeal amount. No refunds of the Annual Appeal shall be given. Funds collected by Annual Appeal may not be used towards any activities associated with, or leading towards, a covenant referendum.

Section 2. " Special Appeal"

"Special Appeal" shall mean any voluntary appeal made by the Association during the course of the year, and made with a statement of the intention, and a restricted time period, for the use of the funds. Payment of a Special Appeal does not constitute membership. Money collected from these appeals must be kept separate from other Association moneys and must be used solely for the purposes requested during the specified effective time period. At the conclusion of the effective time period designated by the special appeal any unused money will be moved to the Association's general funds. No refunds of the Special Appeal shall be given.

Section 3. "Association"

"Association" shall mean and refer to Wood Valley Homeowners Association, Inc., its successors and assigns.

Section 4. "Owner"

"Owner" shall mean and refer to each owner of record , whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 5. "Properties"

"Properties" shall mean and refer to that certain real property described and recorded in the following County Book of Maps: 1976-IV-470, 1977-VII-215, 1978-VI-59, 1981-98, 1978-VII-761, 1979-605, 1981-480, 1982-719, 1984-150, 1986-364, 1985-1377, 1987-2051, 1990-624, 1992-995 (the Wood Valley subdivision). In addition "Properties" shall also refer to all of lots 1 through 14 inclusive recorded in the Country Book of Maps 1995, page 1877 (the Heavenridge subdivision).

Section 6. "Lot"

"Lot" shall mean and refer to any improved or unimproved parcel of land shown upon any recorded subdivision map of the Properties, intended for the construction of a detached single family dwelling, excluding any Common Areas as defined herein.

Section 7. "Director"

"Director" shall mean an elected Member to the Board of Directors.

Section 7a. "Officer"

"Officer" shall mean a Director who has been elected to any of the offices as outlined in Article VI of these Bylaws.

Section 7b. "President"

"President" shall mean a Director who has been elected to the office of President on the Board of Directors for the Association as outlined in Article IV of these Bylaws.

Section 8. "Common Areas"

"Common Areas" shall mean all real property (including improvements thereon) and easements maintained by the Association for the common use or enjoyment of the Owners.

Section 9. "Member"

"Member" shall mean and refer to those Owners entitled to membership per Article III Section 1 of this document and only those Owners represented by payment of the Annual Appeal by the corporation of at least the minimum Annual Appeal amount requested for that calendar year.

Section 10. "Voting Member"

"Voting Member" shall mean and refer to a single person designated and qualified per the Bylaws herein to cast a vote on matters of the corporation. There is a maximum of one (1) Voting Member per developed Lot. In the event of dispute, duplication, or multiple voting (when all the votes are not the same) from a single developed Lot, the President or any Board Member will disqualify all votes from such lot without effect on future voting rights of the members. At all meetings of the Association where a vote(s) will be taken, a single member from each lot will identify them self as the Voting Member for all matters at such meeting. Such declaration will be taken as having consent from all members of a Lot without future recourse.

Fractional voting is prohibited. The Voting Member may be the Owner of a Lot, or an Owner designated by a majority of several Owners of a Lot, or may be some other person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Designation of the voting member or of a proxy shall be made in writing to the Secretary and shall be revocable at any time prior to the meeting by actual notice to the Secretary by the Owner or a majority of the Owners. Once a meeting has been commenced a Lot Owner may only revoke a proxy as per NCGS §55A-7-24 (e).

Section 11. "County"

Unless otherwise noted the use of the term County within this document shall refer to Wake County, North Carolina.

Article III – Membership, Meetings and Voting

Section 1. Membership

Membership status is granted to all persons listed on the Title and Deed of a Lot, provided payment of the Annual Appeal has been made for that Lot by any Owner for the calendar year stated. Membership is valid until the due date of any subsequent Annual Appeal. Any Member may have their membership status removed from the Corporation's roster, at the Member's request, without cause, thereby canceling their membership, by requesting so in writing to the Recording Secretary.

In the case of Property listing anything except individuals as the owners (Trustees, Corporations), the Board of Directors will have full power to review and either accept or reject Membership for that Lot. Such decisions may be

made without providing reason. At the time of accepting such Membership the Board of Directors will also enter the specific person(s) name(s) in the Associations roster. Such persons will be entitled to all rights and privileges of any Member.

In the case of a leased Lot, the lessee(s) of said Lot may hold the membership provided the Owner shall have consented thereto in writing to the Recording Secretary. In accordance with the provisions of NCGS §55A-6-01(b), no person shall be admitted as a Member without said person's consent.

Section 2. Annual Meetings

An Annual Meeting of the members shall be held on the third Tuesday of January each year. The Annual Meeting will be held in the evening hours after 6:00 pm Eastern Standard Time. Should this meeting not be held on this date for any reason a Substitute Annual Meeting must be scheduled to occur within 45 days per the terms specified in Section 7 of this Article.

Section 3. Substitute Annual Meetings

If an Annual Meeting is not held on the day designated in the Bylaws, a substitute Annual Meeting may be called in the same manner as an Annual Meeting. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 4. Other Meetings of Members

There shall also be held regular meetings of the members during the months of May and September at a place, date and time to be decided by the President or any two (2) Directors.

Section 5. Special Meetings

Special Meetings of the members may be called at any time by the President, any two (2) Directors, or upon written request by ten percent (10%) of the Voting Members. The notice of a special meeting shall state the time, place and purpose of such meeting. No business shall be transacted at a special meeting except as stated in said notice.

Section 6. Place of Meetings

All meetings of the Association shall be held in the County where the Properties are located and the location shall be designated in the notice of the meeting.

Section 7. Notice of Meetings

Written mail or printed notice stating the place, day and hour of the meeting shall be delivered by mail or hand delivered not less than ten (10) or more than thirty (30) days prior to the date of the meeting by the Board of Directors to each person entitled to vote at such meeting.

In the case of an Annual Meeting, Substitute Annual Meeting, regular meeting or Special Meeting, the notice of meeting shall state the time and place of the meeting as well as the items on the agenda to be considered. Items requiring a vote must be specifically stated in the meeting notice along with full disclosure of the material(s) to be voted on.

When a meeting is adjourned for thirty (30) day or more, notice of the reconvening of the adjourned meeting shall be given as in the case of an original meeting. Even if there have been previous adjournments, 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.

Section 8. Quorum

Unless a different percentage is required in the Articles of Incorporation or these Bylaws, the presence in person or by proxy of ten percent (10%), but no fewer than twenty (20), of the Voting Members at the beginning (per NCGS §55A-7-22), not necessarily at the time of the vote or action, of any meeting of members shall constitute a quorum. In the case the ten percent (10%) number does not represent a whole number the number will be rounded to the next highest whole number. 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. Representation of a minimum of one third (1/3rd) of the Voting Members at any given meeting entitles actions or votes to take place that may not have been duly noted in the meeting notice.

If a quorum is not present at the opening of any meeting, the meeting may be adjourned from time to time by vote of a majority of the Voting Members, either in person or by proxy, and shall be reconvened at the date and time determined at the adjourned meeting, subject to the notice requirements set forth in Section 7 of this Article. Quorum requirements set forth herein shall apply unless a different number is required by the covenants, by law, or unless specifically modified herein.

Section 9. Proxies

At all meetings of members, each Voting Member entitled to vote may vote in person or by proxy. All proxies shall be in writing and filed with the Recording Secretary, or any Director, prior to the meeting.

Section 10. Voting

All actions subject to membership vote require the presence, in person or represented by proxy, of a Quorum of the Voting Members at minimum.

A majority of the votes entitled to be cast by Voting Members present at the meeting, in person or by proxy, shall carry the question unless the question is one upon which, by express provision of statutes of the Articles of Incorporation, or of these Bylaws, a different vote is required, in which case such express provision shall govern.

Section 11. Waiver of Notice

Any Lot 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 Lot Owner at any meeting of the Association shall constitute a waiver of notice by him of the time and place thereof except where a Lot 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 have been required, and any business may be transacted at such meeting.

Section 12. Informal Action by Lot 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 Recording Secretary of the Association to be kept in the Association files.

Section 13. Action By Written Consent

Action required or permitted to be taken at a meeting of the members may be taken without a meeting by 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 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 Board of Director's records. If not otherwise determined in accordance with North Carolina General Statutes §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.

Section 14. Action By Written Ballot

Unless otherwise prohibited by these Bylaws or the Articles of Incorporation any action that may be taken at any Annual, Substitute Annual, regular or Special Meeting of the members may be taken without a meeting if the Board of Directors 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 Board of Directors in order to be counted. Not less than ten (10) or more than forty-five (45) days notice shall be provided for return of the ballot. 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 being counted.

Section 15. Organization of Meetings

The President, or, in his/her absence, the Vice President, shall preside over all meetings of members and the Recording Secretary 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.

Article IV – Board of Directors

Section 1. General Powers

The business shall be managed and directed by the Board of Directors of the Association. The Board of Directors for the Association is granted all rights and powers as outlined in this document. The Board of Directors can elect to vote on any items pursuant to the guidelines specified in this Article without a vote from the membership. The following exceptions apply which do require a membership vote:

- any expense item in excess of fifteen percent (15%) of the Association's annual revenue that was not approved in the annual budget may not be voted on or approved by the Board of Directors without a membership vote. The only exception to this is expense items required by law, such as payment of legal fees.

An expense in this instance is defined as all expenses associated with a given project, proposal, purchase, or otherwise in total. For example, if \$5,500 was the cost for a new sign or proposed project the board is not permitted to approve expenses related to this project in pieces, for example \$1000 for electrical, \$4000 for bricks, etc., but rather must consider the total project cost to determine if a membership vote is required.

- topics that relate to or could affect the land use rights of any of the Owners.
- approval of new Board of Directors when less than five (5) directors are serving.
- approval of the Budget.
- amendments to the Bylaws or Articles of Incorporation documents for the Association.

Section 2. Election of Directors

At the Annual Meeting of the Members the Voting Members shall elect Directors for a term of two (2) years for each Officer whose term expires, except as otherwise provided in the Bylaws. The President shall serve until the successor has been duly elected.

The election of Directors shall take place at the Annual Meeting of the members each January. Elected Directors will assume their duties immediately upon completion and reporting to all members of voting results of such appointments and upon resolution of any challenges of the election results that may have been filed with the Recording Secretary.

The Board must conduct the balloting process in a manner that permits auditing and provides for accuracy and privacy. Any Member may challenge election results without giving cause by delivering the challenge in writing to the Recording Secretary. Such a challenge shall cause a recount of the ballots and review of the balloting process. In the event of multiple challenges only one recount of the ballots and review of the balloting process will be done. A three (3) person team will be appointed by the Board, and approved by the challenger(s), to respond to the challenge. The challenge must be made within two (2) weeks of the reporting of the initial results. The response to the challenge must be provided within thirty (30) days of the challenge.

Election to the Board of Directors shall be by written ballot. The persons receiving the largest number of votes shall be elected provided a quorum was present. Cumulative voting is not permitted. All election ballots must be retained for a period of two (2) years after the election.

Section 3. Term

The officers of the Association shall be elected annually by the Board consistent with these Bylaws, and each shall hold office for two (2) years unless that officer shall sooner resign, be removed, or otherwise be disqualified to serve. Positions on the board will stagger as follows.

- Odd years, starting in 2005
 - New positions to be elected:
 - President
 - Corresponding Secretary
 - Treasurer
 - Member at large one
- Even years, starting in 2006
 - New positions to be elected:
 - Vice President
 - Recording Secretary
 - Member at large two

The only exception to the above rules is that persons elected to the positions of Vice President, Recording Secretary and Member at large two in the year 2005 shall hold office for one (1) year as the positions must be opened for

election in 2006. The name of the Directors who shall act as such until the 2005 Annual Meeting of Members of the Association is as was voted on and approved during the January 2004 meeting.

Section 4. Number

The affairs of the Association shall be managed by a Board of Directors to be comprised of a minimum of five (5) and a maximum of seven (7) Officers. Every Board must have at a minimum a President, Treasurer, Recording Secretary and two (2) other elected officials.

In the event that fewer than five (5) persons remain as Board of Directors, or fewer than five (5) persons volunteer and are voted on to serve, the rights and powers of the Board of Directors for the Association will be limited to only fulfilling the mandatory duties specified in Article XIV until another meeting of the membership can be held to vote on and approve a minimum of five (5) Board of Directors.

Section 5. Nomination

Nomination for election to the Board of Directors shall be made in writing by the member(s) seeking election to the Board no less than thirty (30) days prior to the Annual Meeting. The President shall announce and present the positions and nominations for the vacancies to be filled no less than fifteen (15) days prior to the Annual Meeting. The Directors must also provide notice to the members of positions to be available no less than forty-five (45) days prior to the Annual Meeting. Any member in attendance by person or proxy may also offer nominations from the floor.

The Board of Directors may not endorse any particular nominee at any meeting of the membership or in writing via any formal communications. This restriction does not limit individual Directors from voicing personal opinions regarding candidates outside of Board sponsored meetings or communications.

Section 6. Removal

Any elected Director may be removed from office, with or without cause, by the affirmative vote of a majority of the Voting Members present in person or by proxy and entitled to vote at a special meeting called for that purpose at which a quorum is present. If any Directors are so removed or in the event of death or resignation, new Directors may be appointed by the Board to serve until the next Annual Meeting of Members.

Any Director may resign at any time by giving written notice to the Directors. 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. Also, any Director who is no longer a Member is immediately removed from office.

In the event of the removal, resignation, or any cause of vacancy of a Director(s) resulting in less than the minimum amount of five (5) Directors, the appointment of successor Director(s) requires approval by a majority vote of a quorum of the Voting Members consistent with Article IV of these Bylaws.

Section 7. Vacancies

A vacancy in the position of President, Recording Secretary or Treasurer must be filled by appointment by the majority of the Board. Other vacancies on the Board are optional to be refilled by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he or she replaces.

Any appointment(s) made by the Board to restore the Board to the minimum amount of five (5) Directors requires approval by a majority vote of a quorum of the membership consistent with Article IV of these Bylaws.

Any vacancies occurring on the Board of Directors by reason of an decrease in the number of directors shall be voted on, approved and filled by the remaining Board of Directors assuming the total number remaining is five (5) or greater. If the number remaining is less than five (5) then a meeting of the membership is required to vote on and approve new directors to fill the vacant positions.

Section 8. Compensation

The Board of Directors shall receive reimbursement for expenses, but shall receive no compensation for their services unless expressly allowed by the Association upon the affirmative vote of its members per NCGS §55A-8-31 (2).

Section 9. Committees

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 must consist of at least one Director and any number of other Members of the Association. No committee can bind the Association on any matters without approval of the Board of Directors and the membership.

Section 10. Powers and Duties

The Board of Directors shall have the powers necessary for the administration of the affairs of the Association as specified by law or these Bylaws. The following powers apply, unless specified elsewhere by law or herein.

- a) Exercise for the Association all powers, duties and authority vested in or delegated to this Association, and not reserved to the membership by other provisions of these Bylaws, or the Articles of Incorporation.
- b) To cause the Common Areas to be maintained, repaired and replaced as necessary.
- c) 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 meetings of the Board of Directors.
- d) Employ, supervise and dismiss personnel, independent contractor, attorney or accountant or such other employees and agents as they deem necessary, and to prescribe their duties. No contracts entered into may exceed a period of obligation on either party in excess of three (3) years. Obligations entered into may not exceed one (1) year without inclusion of a termination clause in the written contract stating that the contract can be terminated at written request by the Association with no less than thirty (30) days notice provided.
- e) 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.
- f) Procure and maintain adequate insurance of such nature insurance as the Board may deem necessary or appropriate, including, without limitation hazard insurance, liability insurance and officers and directors liability coverage.
- g) Prepare and publish an annual budget to include amounts set for annual and special appeals to the community.
- h) Sign all contracts or vouchers for payment of expenditures as from time to time shall be determined by written resolution of the Board or the Association in a manner consistent with these Bylaws.
- i) To keep a complete record of all its acts and corporate affairs and present a statement thereof to the members a meeting when such statement is requested in writing by ten percent (10%) of the members.

- j) To approve any single expenditure of the Corporation's funds in excess of one hundred dollars (\$100).
- k) To prepare, publish and distribute Newsletters for the Membership at least quarterly.
- l) Assign, publish and ensure guidelines for content of the Association's publications are fair, factual and without political or personal malice or discrimination.
- m) To maintain a complete roster of all Owners and their associated membership and payment of Appeals status.
- n) To maintain softcopy backups of all newsletters, financial data and meeting minutes. The backups must be maintained for a minimum of 5 years and must be stored at a physical location separate from the location where the original information is maintained.

Section 11. Liability of the Board

Liability protection for Directors and volunteers acting on behalf of the Association is covered under NCGS §55A-8-30, §55A-8-52, §55A-8-55, §55A-8-56 and §55A-8-60 and the Volunteer Protection Act of 1997 (Public Law 105-10).

Section 12. Board and Officer Insurance

The Board of Directors shall purchase and keep current Directors and Officers insurance to cover the Directors and volunteers acting on behalf of the association. The premiums on such insurance are an expense of the Association.

Article V – Meeting of Directors

Section 1. Action 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 duly held meeting by obtaining the written (or electronic-mail) consent of all of 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.

Section 2. Meetings

Meetings of the Directors shall be held from time-to-time, at such place within the County, date and hour, as may be stated in the meeting notice.

Section 3. Notice of Meetings

The President or any other two (2) Directors may call meetings of the Directors providing not less than five (5) days written (or electronic-mail) notice to each Director.

Section 4. Waiver of Notice

Any Director may give written or electronic-mail 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 have been required and any business may be transacted at such meeting.

Section 5. Quorum

If the Board of Directors consists of six (6) or seven (7) board members a quorum equals four (4) persons. If the Board of Directors consists of only five (5) board members then a quorum equals three (3) persons. A quorum is required for approval of any items voted on by the Directors and to consider a meeting of the Directors as a valid meeting. Every act done or decision made by a quorum of the Directors present at a duly held meeting shall be regarded as the act of the entire 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. A vote of a majority of the number of Directors fixed by the Bylaws shall be required to adopt a resolution.

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 Recording Secretary, or in his/her absence, any person designated by the presiding officer of the meeting, shall act as Recording Secretary of the meeting.

Section 8. Minutes

The Board, and all committees to which the Board may have appointed, shall keep minutes of all their respective proceedings. All minutes must be made available for review by Members of the Association.

Article VI – General Duties of the Officers

The duties of the Officers shall include but not be limited to

President

- preside at all meetings of the Board of Directors.
- see that orders and resolutions of the Board are carried out.
- sign all agreements and contracts.
- approve distribution of all checks of the Association.
- update the name and address of the Registered Office and Agent on behalf of the Association to reflect their name.
- supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.
- instruct and ensure that all State and Federal filings required by the corporation are accurate and carried out by the corporation.
- preside at meetings of the Board and ensure that matters and motions are put to Board vote in a manner consistent with these Bylaws.

Recording Secretary

- cause to be kept the books and records identified in Article VII 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 and included in the meeting notice.
- prepare any required annual, periodic, or special filings required for the Secretary of State specifically with regard to the corporation.
- record the votes and keep the minutes of all meetings and proceedings of the Board and of the members.
- serve notice of meetings of the Board and of the members.
- establish and maintain all backup records on behalf of the corporation.
- maintain ballots and proxies.
- keep a record of all Owners and Members, and their addresses.

Vice President

- act in the place and stead of the President in the event of his/her absence, inability or refusal to act.
- serve as the primary focal point for responding to inquiries.

Treasurer

- keep a record of Members of the Association and report it to the Recording Secretary.
- receive and deposit in appropriate bank accounts all monies of the Association.
- disburse such funds as directed by resolution of the Board of Directors.
- sign all checks and promissory notes of the Association.
- ensure monies collected from Special Appeals are kept in separate accounts from Annual Appeal monies; also ensures this money is used solely for the purposes stated at the time the Special Appeal was made.
- keep proper books of accounts and cause an annual compilation and review of the Association's books to be made by an independent consultant. A compilation shall be defined as the presentation of financial statements that represent the management of the Association without undertaking to express any assurance on the statements themselves. A review shall be defined as a process where inquiry and analytical procedures are used to provide a basis for expressing limited assurance that there are no material modifications that should be made to the financial statements for them to be in conformity with generally accepted accounting principals.
- prepare an annual budget and a statement of income and expenditures, as well as a balance sheet showing all assets and liabilities of the Association to be presented to the membership at its regular annual meeting; Ensure the running budget and balance sheets are updated monthly and available to any Member.
- propose the amount of the voluntary Appeals for all Lots for each Appeals period for Board approval and, at that time, prepare a roster of the Lots and Appeals applicable thereto, to include the amounts and dates paid in. The roster is made available to the Recording Secretary with each update.
- prepare and distribute to each member an annual report to include the annual financial statement summarizing operation and actions of the Association and its income, expenditures, liabilities and reserves.
- prepare or cause to be prepared and submitted all required tax filings at the County, State and Federal levels.

Corresponding Secretary

- prepare, or cause to be prepared, for the President's signature, all official correspondences.
- ensure all correspondences are properly preserved and filed with the Recording Secretary.
- produce a newsletter or equivalent as directed by the Board on a schedule as noted herein.

- send written request of Appeals to every Owner subject thereto at least thirty (30) days in advance of each Appeals period.
- Ensure members can utilize without personal expense the Association's communication channels to express factual opinions on any Association related business. Access must be granted to guarantee privacy of confidential member information such as eMail addresses.

Members at Large

- arrange, set up, and otherwise coordinate all social activities.
- prepare, or cause to be prepared, the mailing of all correspondences to be mailed to the members.

Article VII – Books and Records

The Books and Records of the association must be maintained and handled in accordance with NCGS 55A.

Article VIII – Amendment of Bylaws

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 of Voting Members which are cast in person or by proxy at any meeting of the Members called for that purpose at which a quorum is present. No items or actions specified within these Bylaws may be amended, altered or repealed by vote under any circumstance except at a Meeting called to vote on an action to specifically amend, alter, repeal or replace these Bylaws in their entirety and where this intention, along with the specific items to be voted on, are included in the Meeting notice.

Article IX - 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 Covenants and these Bylaws, the Covenants shall control. NCGS 55A, and any other applicable laws, shall also supersede these Bylaws where required by law.

Article X – Limitations on Payment of Corporate Assets

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 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. 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").

Article XI - Calendar

January: Annual membership meeting. Purpose:

- Vote on and Elect new Board of Directors in expiring positions
- Review detailed financial status of Association, to include but not limited to the following reports:
 - Income/Expense Report
 - Balance Sheet
 - Progress on voluntary collections in response to the Annual Appeal
 - Status and separate income/expense report and balance sheet for any Special Appeal accounts
 - Projected cash flow for the fiscal year
- Review a summary of prior year actions and meetings
- Review prior year accomplishments
- Any other topics approved by the Board of Directors or suggested by the membership.

May: Membership meeting. Purpose:

- Review detailed financial status of Association, to include but not limited to the following reports:
 - Income/Expense Report
 - Balance Sheet
 - Progress on voluntary collections in response to the Annual Appeal
 - Status and separate income/expense report and balance sheet for any Special Appeal accounts
 - Projected cash flow for the fiscal year
- Any other topics approved by the Board of Directors or suggested by the membership.

September: Membership meeting. Purpose:

- Approve budget for next fiscal year, includes establishment of new Annual Appeal amount
- Review detailed financial status of Association, to include but not limited to the following reports:
 - Income/Expense Report
 - Balance Sheet
 - Progress on voluntary collections in response to the Annual Appeal
 - Status and separate income/expense report and balance sheet for any Special Appeal accounts
 - Projected cash flow for the fiscal year.
- Official end of previous fiscal year
- Any other topics approved by the Board of Directors or suggested by the membership.

October:

- Begin new financial fiscal year
- Provide fiscal year-end final report in the October newsletter to the membership to include the completed reports as follows:
 - Income/Expense Report
 - Balance Sheet
 - Progress on voluntary collections in response to the Annual Appeal
 - Status and separate income/expense report and balance sheet for any Special Appeal accounts
 - Projected cash flow for the fiscal year
 - Call for Annual Appeal and nominations for upcoming Board vacancies.

December

- Annual Appeal submissions due by end of the month.

Article XII – Forms of Proxy and Waiver

Section 1. Form of Proxy

The following form shall be deemed sufficient, however, any other form may be used which is sufficient in law.

Wood Valley Homeowners Association, Inc.

Know all men by these presents that I, the undersigned member of Wood Valley Homeowners Association, Inc. (the "Corporation"), hereby constitute and appoint as my attorney and 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, and for and on my behalf to vote as I would be entitled to vote if personally present, and I hereby ratify and confirm all that said attorney and proxy shall do in the premises, and I hereby give and grant unto said attorney and proxy full power of substitution and revocation.

Dated: _____

Member Signature: _____

Member Printed Name: _____

Address: _____

Witness Signature: _____

Witness Printed Name: _____

Date of expiration of this proxy: _____ (11 months from signed date by default)

Section 2. Form of Waiver of Notice

The following form 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 _____ in the year _____ at the time _____, and we do further consent to the transaction of any and all business of any nature that may come before the meeting.

Dated: _____

Director Signature: _____

Printed Name: _____

Article XIII – Certification

I, the undersigned, do hereby certify that I am the duly elected and acting President of Wood Valley Homeowners Association, Inc., a North Carolina nonprofit corporation and that the foregoing Bylaws constitute the revised Bylaws of the Corporation, as duly adopted by the Board of Directors and membership at a meeting held on the XXth day of XXXXX, 2004 IN WITNESS WHEREOF, I have hereunto subscribed my name this XXth day of XXXXX, 2004.

Dated: _____

President Signature: _____

Printed Name: _____

Article XIV – Mandatory Board of Director Responsibilities

The following are listed as the mandatory set of responsibilities for the Board of Directors to execute.

1. Tax and filing obligations required by law.
2. Maintain currency of the registered agent and registered agent's office with the government.
3. Insurance required by the Association.
4. Maintenance and lighting to the existing community signs and easements thereon common in the Association's community.
5. Maintenance and upkeep to existing Common Properties in the Association's community.
6. Call and hold meetings.
7. Prepare an annual budget.
8. Hold elections.
9. Newsletters and community communications.

Where an expense may be associated with one of the mandatory responsibilities the ordering of the above list represents the priority order of required payment in the event the Association is in a situation where inadequate funds exists to cover all expenditures.