

BY-LAWS
OF
TIMBER LAKE RESIDENTS ASSOCIATION

[AMENDED, RESTATED AND ADOPTED MARCH 29th, 2019]

The name of the corporation is TIMBER LAKE RESIDENTS ASSOCIATION, a North Carolina nonprofit corporation, hereinafter referred to as the “Association.”

ARTICLE II
PURPOSES AND OBJECTIVES

THE PURPOSES AND OBJECTIVES of the Association, set forth in the Association’s Charter filed 19 February 1986, are:

TO CREATE AND MAINTAIN a position of unified community strength by establishing an organization that will represent the residents collectively and recognize, where applicable, the consensus of the majority.

TO PROTECT the residents of Timber Lake from encroachment upon or other peripheral activity that would impact the community and which could create a potential reduction in property values or otherwise detract from investment in the community.

TO DETERMINE AND INFORM the members of the benefits of any county, state, and/or federal programs to which the community may be entitled or of which to avail itself.

TO PROVIDE a vehicle to organize, fund, and accomplish those projects required to maintain the community or to implement local improvements as approved and authorized by the membership.

TO INFORM the community of events and activities of interest and/or concern to the residents.

TO ENHANCE AND PROTECT the natural beauty and surroundings of Timber Lake.

TO PROMOTE community spirit, a sense of belonging, and a feeling of security within each resident of Timber Lake.

In no event shall the foregoing purposes and objectives fail to recognize or infringe upon the rights and privileges of any resident as a private citizen.

ARTICLE III
OFFICES

Section 1. Principal Office: The principal office of the Association shall be located at the home address of the “current President of the Association” in Raleigh, North Carolina 27604 or at such place as shall be designated by the Board of Directors.

Section 2. Registered Office: The registered office of the Association required by law to be maintained within the State of North Carolina may be, but need not be, identical with the principal office.

ARTICLE IV
DEFINITIONS

Section 1. “Association” shall mean and refer to the Timber Lake Residents Association, its successors and assigns.

Section 2. “Properties” shall mean all real property owned by the Association known as the lakefront property on Lakeshore Drive commonly referred to as the “beach property” for the common use and enjoyment of the Owners.

Section 3. “Master Covenants” shall mean and refer to the Declaration of Master Covenants, Conditions and Restrictions for Timber Lake Subdivision dated January 28, 2000 and recorded in Book 008508, Page 01499 –01517, Wake County Registry, as the same may be amended from time to time as provided therein.

Section 4. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot that is a part of the Properties.

Section 5. “Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of Wake County Register of Deeds.

Section 6. “Member” shall mean all owners of developed property.

ARTICLE V
MEETINGS OF MEMBERS

Section 1. Regular Annual Meetings: Regular annual meetings of the Members shall be held on the third Thursday of November of each year, at a time and place to be designated by the President or by the Board of Directors, for the purpose of conducting business as may be properly brought before the Members.

Section 2. Regular Semi-Annual Meetings: In addition to the regular annual meetings, regular semi-annual meetings of the Members shall be held on the third Thursday of May of each year.

Section 3. Special Meetings: In addition to the regular annual and semi-annual meetings, special meetings of the Members may be called by or at the request of the President or by the Board of Directors or upon written request from one-third ($\frac{1}{3}$) of the active Members of the Association.

Section 4. Place of Meetings: All meetings of the Members shall be held at a time and place within the State of North Carolina, County of Wake, as may be designated by the Board of Directors in a proper notice of said meeting.

Section 5. Notice of Meetings: Regular and special meetings of the Members shall be called on not less than fourteen (14) or more than sixty (60) days' prior notice. Notice of a special meeting shall state the purpose thereof; and such notice shall be directed to each Member of the Association at his/her residence or usual place of business by first class United States mail, telephone, electronic mail, cable, or other similar conveyance, or may be delivered personally. The presence of a Member at a meeting shall constitute a waiver of notice of that meeting, except when such Member attends the meeting solely for the purpose of objecting to the transaction of any business thereat on the ground that the meeting has not been lawfully called, and such Member does not otherwise participate in such meeting.

Section 6. Quorum: The presence of Members at a duly-called meeting of Members entitled to cast, or of proxies entitled to cast, one tenth (1/10) of the votes of all active Members shall constitute a quorum for any action *except* as otherwise provided by applicable law, the Articles of Incorporation of the Association or these Bylaws; and *except further* that the Board of Directors may from time to time, with not less than fourteen (14) or more than sixty (60) days' prior notice, require a quorum of fifty-one percent (51%) of all active members, represented in person or by proxy, at a meeting to consider and act upon any matter it deems appropriate and necessary for the well being of the Association — including, but not limited to, any project concerning the addition and/or removal of speed bumps within Timber Lake (or similar obstacles that are designed to control vehicular traffic by making impact with a motor vehicle and that cannot be avoided in normal vehicular operation). If, however, and in any event, the requisite quorum hereunder shall not be present or represented at the meeting, the Members entitled to vote shall have power to adjourn the meeting, without notice other than announcement at the meeting.

Section 7. Voting: Unless applicable law, the Articles of Incorporation of the Association or these Bylaws require otherwise, if a quorum is present, the affirmative vote of a majority (51%) of the votes cast at the meeting is the act of the Members; *provided, further, however,* the Board of Directors may from time to time, with not less than fourteen (14) or more than sixty (60) days' prior notice, require the affirmative vote of a majority (51%) of all active members to take any action it deems appropriate and necessary for the well being of the Association— including, but not limited to, any project concerning the addition and/or removal of speed bumps within Timber Lake (or similar obstacles that are designed to control vehicular traffic by making impact with a motor vehicle and that cannot be avoided in normal vehicular operation).

Section 8. Proxies: At all meetings of members, each active member may vote in person or by proxy. A proxy is valid for agenda items only for the current meeting and shall be in writing and must be received by the secretary no less than 48 hours prior to the meeting. The proxy shall be revoked by the presence of the member at the meeting.

ARTICLE VI BOARD OF DIRECTORS

Section 1. General Powers: The business and affairs of the Association shall be managed by the Board of Directors. The Board of Directors shall have the responsibility for the entire management of the Association, except as may be provided by these Bylaws. The Board of Directors shall be responsible for determining and directing the activities of the Association and shall propose actions to be taken as a result of suggestions received or solicited from Members, information obtained from Members, or information obtained from outside sources that will have a direct or indirect impact on the community or its Members. The Board of Directors will support all active Members and allow them to express their views and opinions in all matters relating to the Association. The primary responsibility is to direct and supervise, directly and indirectly, any and all activities of the Association.

Functions of the Board of Directors shall include but not be limited to the following:

- A. Preside at all general membership meetings and be responsible for determining the agenda of each meeting, which will be published prior to the meeting.
- B. Record the minutes of all general membership meetings and distribute the minutes for approval at the next meeting.
- C. Be responsible for all Association correspondence including meeting notices.

- D. Send written notice of annual dues to every Owner subject thereto at least thirty (30) days in advance of the next calendar year.
- E. Cause the Common Area(s) to be maintained, including the maintenance, repair and reconstruction of private streets.
- F. Pay all ad valorem taxes and public assessments relating to the deeded Common Area(s).
- G. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.
- H. Accounting and control of the Association funds including written records of all receipts and disbursements. A financial report will be made at each general membership meeting. An audit will be conducted at end of the Treasurer's term or at the discretion of the Board.
- I. Bring an action at law against any resident who fails to pay annual dues on or before December 31 of the calendar year for which payment is due.

Any outstanding dues not paid by the end of each quarter will accrue late charges on the balance due as allowed by law. If action is required to collect for delinquent dues, the delinquent resident will be responsible for collection fees, reasonable attorneys' fees, court costs and other expenses incurred by the Association.

- J. The Board may 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 By-Laws, the Articles of Incorporation, or the Covenants.

Section 2. Number and Election: The Board of Directors shall be composed of six (6) directors, to be elected by the Members. The Members shall elect new Directors by plurality vote at annual meetings of the Members at which a quorum is present. The Members may from time to time change the number of Directors by amendment of these Bylaws.

Section 3. Staggered Terms For Directors: The total number of directors shall be divided into three (3) groups, with each group containing one third (1/3) of the total, as near as may be. In that event, the terms of directors in the first group expire at the first annual meeting of Members after their election, the terms of the second group expire at the second annual meeting of Members meeting after their election and the terms of the third group expire at the third annual meeting of Members after their election. At each subsequent annual meeting of Members, directors shall be chosen for a term of three (3) years, as the case may be, to succeed those whose terms expire, to hold office until his/her death, resignation, retirement, removal, disqualification, or until his/her successor is elected. The Members may from time to time change the term of service by amendment of these Bylaws.

Section 4. Quorum: The majority of the Board members present at any meeting shall constitute a quorum.

Section 5. Resignation: Directors may resign at any time by giving written notice to the President or the Secretary of the Association. Such resignation shall take effect at the time specified therein, or if no time is specified therein, at the time such resignation is received by the President or Secretary of the Association, unless it shall be necessary to accept such resignation which shall take effect upon its acceptance by the Board of Directors. Unless otherwise specified therein, the acceptance of any such resignation shall not be necessary to make it effective.

Section 6. Removal: Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 7. Vacancies and Absences: A vacancy occurring in the Board of Directors with respect to any elected Director, including but not limited to death, resignation or removal of a director, may be filled by a majority of the remaining Directors, though less than a quorum, and the Director so elected shall meet the same requirements as for election to serve the unexpired term of the Director replaced thereby. Any member who shall be absent from three (3) consecutive meetings of the Board, without excuse satisfactory to the Board, shall be deemed to have resigned from the Board, and the vacancy thus created shall be immediately filled as provided herein. Absenteeism shall be excused only after notification to the President.

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

ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Chairman: The President shall preside at all meetings of the Board of Directors thereafter and perform such other duties as may be directed by the Board.

Section 2. Meetings: Regular meetings of the Board of Directors shall be scheduled after the regular annual meetings of Members each year. In addition to the regular meetings, special meetings of the Board of Directors may be called by or at the request of the President. All such meetings shall be held within Wake County, North Carolina, for the purpose of conducting business as may be properly brought before the Board.

Section 3. Time and Place of Meetings: All meetings of the Board of Directors shall be held at a time and place to be designated by the President in a proper notice of said meeting, or as designated in a duly executed waiver of notice of such meeting as may be otherwise agreed upon in advance of the meeting by one-third (1/3) of the members of the Board.

Section 4. Notice of Meetings: Regular and special meetings of the Board of Directors shall be called on not less than fifteen (15) nor more than twenty (20) days' prior notice by any usual means of communication. Notice of a special meeting need not state the purpose thereof; and such notice shall be directed to each member of the Board at his/her residence or usual place of business by United States mail, telephone, electronic mail, cable, or other similar conveyance, or may be delivered personally. The presence of a member of the Board at a meeting shall constitute a waiver of notice of that meeting, except when such member of the Board attends the meeting solely for the purpose of objecting to the transaction of any business thereat on the ground that the meeting has not been lawfully called, and such member of the Board does not otherwise participate in such meeting.

Section 5. Quorum and Voting: A majority of the number of members of the Board of Directors of the Association fixed by these Bylaws shall constitute a quorum for the transaction of any business at any meeting of the Board. Except as otherwise expressly provided in this section, the act of a majority of the members of the Board present at a meeting at which a quorum is present shall be the act of the Board.

Section 6. Informal Action of Members of the Board of Directors: Action taken by a majority of the members of the Board of Directors without a meeting shall constitute Board of Directors action if written consent to the action in question is signed by all the members of the Board and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 7. Presumption of Assent: A member of the Board of Directors who is present at a meeting of the Board at which action on any matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the minutes of the meeting, or unless he/she shall file his/her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a member of the Board who voted in favor of such action.

Section 8. Conflicts of Interest: If any matter should come before the Board of Directors, or any of its committees, in such a way as to give rise to a conflict of interest, any interested party shall make full disclosure of the potential conflict and, if requested, withdraw from the meeting for so long as the matter shall continue under discussion, except to answer any questions that might be asked regarding the situation. If the matter involves an item of business for which a special meeting was called, the interested party shall not be counted to establish a quorum, nor shall the interested party participate in the deliberation or vote on it.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Officers: The officers of the Association shall consist of a President who shall be the Chairman of the Board, a Vice-President, a Secretary, and a Treasurer, all of whom shall be members of the Board of Directors, and such other officers as the Board may establish or create from time to time by resolution. The title of any officer may include any additional designation descriptive of such officer's duties as the Board may prescribe.

Section 2. Election and Term: The officers of the Association shall be elected by the Board of Directors at its regular annual meeting first following the annual election of Directors. Each officer shall be elected to a term of one (1) year, to hold office until his death, resignation, retirement, removal, disqualification or until his successor shall be elected and qualified.

Section 3. Resignation: Any officer may resign at any time by giving written notice to the Board of Directors or to the President or the Secretary of the Association. Any such resignation shall take effect upon its being accepted by the Board.

Section 4. Removal: The officers specifically designated in Section 1 of this Article VIII may be removed, either with or without cause, by vote of two-thirds (2/3) of the Directors present at a regular annual meeting or at a special meeting of the Directors called by the President, provided written notice of such a meeting is mailed to the membership not less than fifteen (15) nor more than 20 (Twenty) days prior to the meeting and provided that, if the meeting is a special meeting, the written notice shall state the purpose that removal of the officer shall be considered. The removal of any person from office shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5. Vacancies: Any vacancy occurring in any office shall be filled by the Board of Directors at a regular or special meeting duly called for such purpose, and the appointed officer shall be appointed for the balance of the term and shall hold office until his death, resignation, retirement,

removal, disqualification, or until his successor shall be elected. The appointed officer shall meet the same requirements as if being elected.

Section 6. President: The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall supervise the management of the Association in accordance with these by-laws. He/she shall, when present, preside at all meetings of the membership and the Board of Directors. He shall sign, with any other one proper officer, any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the Association, except when required or committed by law to be otherwise signed and executed; and, in general, he shall perform all duties incidental to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 7. Vice-President: The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, he shall perform such other duties and have other powers as the Board of Directors shall prescribe.

Section 8. Secretary: The Secretary shall keep accurate records of the acts and proceedings of all meetings of the membership and directors. He/she shall have general charge of the Association's books and records and of the corporate seal and he/she shall affix the corporate seal to any lawfully executed instrument requiring it. He/she shall keep, at the registered or principle office of the Association, a record of the membership showing the name and address of each Member and the class of his membership; and in general, shall perform all duties incidental to the office of Secretary and such other duties as may be assigned to him from time to time by the President and the Board of Directors.

Section 9. Treasurer: The Treasurer shall have custody of all funds and assets belonging to the Association and shall receive deposits, and disburse the same under the direction of the Board of Directors. He/she shall keep true and accurate accounts of the finances of the Association in books especially provided for that purpose; and he shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of its operations for such year. The statement so filed shall be kept available for inspection by any Member of the Association for a period of ten (10) years; he/she shall make financial reports to the Board of Directors and to the Members at annual meetings and as directed by the Board; and he/she shall, in general, perform all duties incidental to the office and such other duties as may be assigned from time to time by the President or by the Board of Directors.

ARTICLE IX **ANNUAL DUES AND ASSESSMENTS**

Annual dues will become payable January 1st of each year and are due before January 31st; otherwise, quarterly payments are due and payable by the end of each calendar quarter.

A. The Association will set the amount of the annual dues and assessments by the affirmative vote of a majority (51%) of the active Members of the Association voting in person or by proxy at a duly-called meeting of Members.

B. Payment may be made in quarterly increments or one annual payment. The amount for quarterly payments may be set so the sum for the year is greater than the amount for a one-time annual payment.

C. Late charges, determined annually by the Board, will be assessed against any outstanding balances on a monthly basis beginning on the first day of the month following the quarterly due date and will continue to accrue each month until the outstanding balances are paid in full.

D. In order to be an active member, dues and assessments for the current year must be received by the treasurer before the end of the first quarter or if paying quarterly, prior to the end of current quarter. Active membership may be obtained by payment in full of all outstanding balances. Any partial payment made will be credited toward the oldest outstanding balance. (Note that the payment is for annual dues and all special assessments that are required for additional maintenance of dams, roads, collectively owned property and cost incurred in collection of outstanding balances.)

E. For a change of ownership, the new owner is responsible for the annual dues commencing with the next calendar-year quarter beginning after residence (e.g. new owner is responsible for the second quarter if the new owner closes or moves in January, unless the previous owner paid the dues for that year).

F. Annual dues will be applicable for all developed property (a lot with a house).

ARTICLE X **COMMITTEES**

Community projects will be controlled by standing or ad hoc committees formed to direct repetitive or one-time projects, respectively. The Board of Directors may appoint any standing or ad hoc committee as deemed necessary. The standing committees shall include: Roads, Social, and Clean-Up.

ARTICLE XI **CONTRACTS; LOANS; CHECKS; DEPOSITS; GIFTS; PERSONAL BENEFIT PROHIBITED**

Section 1. Contracts: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the 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 evidences 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. In no event shall the Association make loans to its Board members or officers.

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, agent or agents 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 shall direct.

Section 5. Gifts: The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

Section 6. Personal Benefit Prohibited: No Director or Member of the Association shall use the Association for personal gain or solicitation of funds other than Association business.

ARTICLE XII
AMENDMENTS TO BYLAWS

Except as otherwise provided herein or in the Articles of Incorporation or by applicable law, these Bylaws may be amended or repealed and new Bylaws may be adopted by the affirmative vote of a majority (51%) of the active Members of the Association.

ARTICLE XIII
GENERAL PROVISIONS

Section 1. Corporate Seal: The Corporate Seal shall be in such form as shall be approved from time to time by the Board of Directors.

Section 2. Waiver of Notice: Whenever any notice is required to be given to any director or Member under the provisions of the North Carolina Nonprofit Association Act or under the provisions of the charter or Bylaws of this Association, a waiver thereof in writing signed by the person or person entitled to such notice whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Fiscal Year: The fiscal year of the Association shall be from January 1 through December 31 unless otherwise determined by resolution of the Board of Directors.

Section 4. Indemnity of Officers and Directors: When, because of his/her duties or activities as a member of the Board of Directors or officer of this Association, a present or former member of the Board or officer, alone or with others, is prosecuted in a criminal action or is sued in an action not brought by the Association nor brought by any party seeking derivatively to enforce a liability of such member of the Board or officer to the Association, such officer or member of the Board shall be entitled to indemnification or reimbursement by the Association for any expense, including attorney's fees, or any liabilities which he may have incurred in consequence of such action as the Board in its discretion may determine.

Section 5. Insurance: The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was serving as a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as Director, officer, employee, trustee or agent of another nonprofit Association against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of TIMBER LAKE RESIDENTS ASSOCIATION, a North Carolina Nonprofit Association, and,

THAT the foregoing Bylaws constitute the Bylaws of said Association, as duly amended, restated and adopted by the affirmative vote of a majority (51%) of the active Members of the Association, effective on the 29th day of March, 2019.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this the 29th day of March, 2019.

TIMBER LAKE RESIDENTS ASSOCIATION

Karen L Schwall
Karen Schwall, Secretary



Judi K Leonard
WITNESS