

Approved  
8/29/98  
Annual Meeting

**BY-LAWS  
OF  
WHITE OAK MOUNTAIN ASSOCIATION, INC.**

**ARTICLE I  
OFFICES**

**Section 1. Principal Office.** The principal office of the Corporation shall be located at White Oak Mountain, or at such other location designated by the Board of Directors.

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

**Section 3. Other Offices.** The Corporation 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 corporation may require from time to time.

**ARTICLE II  
MEMBERS**

**Section 1. Membership.** Every person or entity who is a record owner of a fee or undivided fee interest in any lot or condominium unit, which is subject to covenants of record to assessment by the Association, shall be a member of the Association.

**Section 2. Classes of Members.** The Corporation shall have one class of members, which class shall include all lot and condominium unit owners.

**Section 3. Voting Rights.** Each member shall be entitled to one vote for each lot or condominium unit owned. When more than one person holds an interest in any lot or condominium unit owned, all such persons shall be members. The vote for such lot or condominium unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot or condominium unit. Voting rights are further subject to the limitations set out in the Articles of Amendment to Charter of White Oak Mountain Association, Inc.

**Section 4. Severability of Membership.** Membership in this Corporation shall be appurtenant to and may not be separated from ownership of any lot or condominium unit which is subject to assessment by the Association.

**ARTICLE III  
MEETINGS OF MEMBERS**

**Section 1. Annual Meeting.** An annual meeting of the members will be called by the Board of Directors for the purpose of electing directors or transacting any business as may come before the meeting. Notification of the date, place, and time will be mailed to each member in accordance with Article III, Section 4 of the By-laws.

**Section 2. Special Meetings.** Special meetings of the members may be called by the President, or the Secretary, or the Board of Directors, or not less than one-tenth of the members having voting rights.

**Section 3. Place of Meeting.** The Board of Directors may designate any place, either within or without the State of North Carolina, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting is otherwise called, the place of the meeting shall be the principal office of the Corporation in the State of North Carolina, but if all of the members shall meet at any time and place, either within or without the State of North Carolina, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

**Section 4. Notice of Meetings.** Written or printed notice stating the place, day, and hour of any meeting of members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, at least 30 days before the date of such meeting, by or at the direction of the President, or the Secretary, or the Board of Directors, or the representatives of persons calling the meeting. In case of a special meeting or when required by statute or by these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage thereon prepaid.

Section 5. Informal Action by Members. Any action required by law to be taken at a meeting of the members, or any action that may be taken at a meeting of members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all the members entitled to vote with respect to the subject matter thereof.

Section 6. Quorum. The presence at the meeting of members or their proxies, entitled to cast fifty (50%) percent of all votes of the membership shall constitute a quorum for the purposes of all actions except those pursuant to Article VII, Section 7.7 of the Declaration of Covenants and Restrictions dated December 15, 1976 AND RECORDED IN Book 165, Page 1884, Polk County Registry, and Article V and Article VII of the Articles of Incorporation and Amendment thereto, in which case a quorum shall be defined as set forth in those Articles.

Section 7. Proxies. At any meeting of the members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after the meeting for which it was issued is over.

Section 8. Voting by Mail. Where directors or officers are to be elected by members, such election may be conducted by mail in such manner, as the Board of Directors shall determine.

#### ARTICLE IV BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors. Except as otherwise expressly provided by Law, the Articles of Incorporation, or these By-Laws, all of the power of the Corporation shall be vested in the Board of Directors.

Section 2. Number, Term and Qualifications. The number of directors constituting the Board of Directors shall be five. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been elected and qualified. Directors need not be residents of the State of North Carolina.

Section 3. Election of Directors. Directors shall be elected at any annual or special meeting of the members at which a quorum by a majority of the members then present.

Section 4. Removal. Directors may be removed from office at any time with or without cause by the members by such vote as would be required to elect a member of the Board of Directors.

Section 5. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors even though less than a quorum, or by the sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 6. Compensation. The Board of Directors may not compensate directors for their services as such but may provide for the payment of any or all expenses incurred by directors in attending regular and special meetings of the Board of Directors. This shall not preclude directors from serving the Corporation in other capacities and receiving compensation for such other services.

#### ARTICLE V MEETINGS OF DIRECTORS

Section 1. Annual Meetings. An annual meeting of the Board of Directors will be called by the Board of Directors for the purpose of electing officers or transacting any business as may come before the Board of Directors.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of any two directors.

Section 3. Place of Meetings. The annual or any special meeting of the Board of Directors may be held at the principal office of the Corporation or at such other place, either within or without the State of North Carolina, as shall be designated in the notice of the meeting or in a waiver of notice of the meeting signed by all the Directors then in office.

Section 4. Notice of Meetings. The Secretary shall give notice of each annual meeting of the Board of Directors by mailing such notice to each director at least 30 days before the meeting. Any other persons calling a special meeting of Board of Directors shall give notice thereof (or cause the Secretary to give notice) by mailing such notice to each director at

least seven (7) days before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a meeting of the Board of Directors, except as otherwise provided by law or these By-Laws.

**Section 5. Waiver of Notice.** Any director may waive notice of any meeting, either before or after the meeting. Written waivers of notice shall be filed by the Secretary with the corporate records or as part of the minutes of the meeting. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

**Section 6. Quorum.** A majority of the number of directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

**Section 7. Manner of Acting.** Except as otherwise provided in these By-Laws, 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 8. Presumption of Assent.** A director of the Corporation 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 his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he either files his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or forwards his written dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. The right of dissent shall not apply to a director who voted in favor of such action.

**Section 9. Informal Action by Directors.** Action taken by a majority of the Directors without a meeting is nevertheless action of the Board of Directors if written consent to the action in question is signed by all of the Directors and filed with the minutes of the Board of Directors, whether done before or after the action so taken.

**Section 10. Participation by Telephone.** Any one or more Directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar communications device that allows all persons participating in the meeting to hear each other. Participation by these means shall be deemed presence in person at the meeting.

## ARTICLE VI COMMITTEES

**Section 1. Committees of Directors.** The Board of Directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees, each of which shall consist of two or more directors, provided, however, that no such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing the Bylaws, electing, appointing, or removing any member of any such committee or any officer or director of the Corporation; amending the Articles of Incorporation; adopting a plan or merger or adopting a plan of consolidation with another corporation, authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Corporation; or amending, altering, or repealing any resolution of the Board of Directors that by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law.

**Section 1.a. Specific Committees.** An Architectural Committee shall be elected according to Article IV, Section 4.3 of the Declaration of Covenants and Restrictions heretofore mentioned, and also in accordance with Article III, Section 6 of these By-Laws.

**Section 2. Other Committees.** Other Committees not having and exercising the authority of the Board of Directors in the Management of the Corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the Corporation, and Board of Directors of the Corporation shall appoint the members thereof. Any member thereof may be removed by the persons authorized to appoint such member whenever in their judgment the best interests of the Corporation shall be served by such removal.

**Section 3. Term of Office.** Each member of a committee shall continue as such until the next annual meeting of the directors of the Corporation and until his successor is appointed, unless the committee shall be sooner terminated, unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.



Section 4. Chairman. One member of each committee shall be appointed chairman by the persons authorized to appoint the members thereof.

Section 5. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 6. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7. Rules. Each committee may adopt the rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board of Directors.

## ARTICLE VII OFFICERS

Section 1. Officers of the Corporation. The officers of the Corporation shall consist of a President, a Vice-President, a Secretary, and a Treasurer, other officers, Assistant Secretaries, and Assistant Treasurers, may from time to time be elected by the Board of Directors. Any two or more offices, except President and Secretary, may be held by the same person. No officer may act in more than one capacity where the actions of two or more officers are required.

Section 2. Election and Term. The officers of the Corporation shall be elected by the Board of Directors, and each officer shall hold office until his death, resignation, retirement, removal, or disqualification or until his successor shall have been elected and qualified.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Corporation will be served thereby.

Section 4. Bonds. The Board of Directors may by resolution require any officer, agent, or employee of the Corporation to give bond to the Corporation, 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 5. President. The President shall be the chief executive officer of the Corporation and shall be primarily responsible for the implementation of policies of the Board of Directors. He shall have authority over the general management of the Corporation, in accordance with these By-Laws, subject only to the ultimate authority of the Board of Directors. He may sign and execute instruments in the name of the Corporation except in cases where the signing and the execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed. In addition, he shall perform all duties incident to the office of the President and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 6. Vice-President. The Vice-President, shall have such powers and duties as may from time to time be assigned to him by the Board of Directors. The Vice-President may sign and execute in the name of the Corporation, instruments authorized by the Board of Directors, except where the signing and execution of such documents shall be expressly delegated by the Board of Directors or the President to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed. In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President.

Section 7. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors. The Secretary shall keep all minutes of all such meetings in books designated for those purposes. The Secretary shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law. The Secretary shall have charge of the books, records, and papers of the Corporation. The Secretary shall have custody of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized, and shall sign such instruments as may require his signature. The Secretary shall 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 by the President, by the Board of Directors, or by these By-Laws.

Section 8. Assistant Secretaries. In the absence of the Secretary or in the event of his death, inability or refusal to act, any Assistant Secretary designated by the President, unless otherwise determined by the Board of Directors, shall

perform the duties of the Secretary and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. The Assistant Secretaries shall perform such other duties as may be assigned to them by the Secretary, by the President, or by the Board of Directors. Any Assistant Secretary may sign, with President or a Vice-President, documents authorized to be signed by the Secretary.

Section 9. Treasurer. The Treasurer shall have charge of and be responsible for all monies, funds, and securities, receipts, and disbursements of the Corporation, provided that the Board of Directors may appoint a custodian or depository for any such funds or securities. The Treasurer shall be responsible for (i) maintaining adequate financial accounts and records in accordance with generally accepted accounting practices; (ii) for the preparation of appropriate operating budgets and financial statements, and (iii) for the preparation and filing of all tax returns required by law. There shall be two (2) signatures on all checks—the Treasurer and one other who must also be a director.

Section 10. Assistant Treasurers. In the absence of the Treasurer or in the event of his death, inability or refusal to act, any Assistant Treasurer designated by the President, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. Any Assistant Treasurer shall perform such other duties as may be assigned to them by the Treasurer, by the President, or by the Board of Directors.

Section 11. Validity of Signatures. In case any person whose signature shall appear on any bond, or other evidence of indebtedness of the Corporation, shall cease to be an officer or hold an office different from that held at the time of signature before the delivery of such instrument, such signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in such office until such delivery.

Section 12. Compensation. The Board of Directors may not compensate officers for their services as such, but may provide for the payment of any or all expenses incurred by officers in attending regular and special meetings. This shall not preclude officers from serving the Corporation in other capacities and receiving compensation for such other services.

#### ARTICLE VIII INDEBTEDNESS

No indebtedness of the Corporation in excess of \$10,000.00 shall be incurred other than in the normal course of business, except as may be approved by resolution adopted by a majority of the directors in office.

Any or all such indebtedness may be represented by notes, debentures, bonds, or other securities, either unsecured or secured by, or issued under a mortgage, trust indenture, or otherwise, and may be issued at such times and upon such terms as the Board of Directors shall determine.

#### ARTICLE IX CONTRACTS, LOANS, CHECKS, AND DEPOSITS

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 in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation 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 Corporation, shall be signed by the Treasurer and one other who must also be a director.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as the Board of Directors may select.

#### ARTICLE X GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Corporation shall contain the name of the Corporation and shall be such form as approved by the Board of Directors.

Section 2. Waiver of Notice. Whenever any notice is required to be given to any director by law, by the Articles of Incorporation, or by these By-Laws, a waiver thereof in writing signed by the directors entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Indemnification. The Corporation shall indemnify its officers and directors to the maximum extent required or permitted by Sections 55A-17.1, 55A-17.2, and 55A-17.3 of the General Statutes of North Carolina as from time to time amended, and such officers and directors shall be deemed to have relied upon this section.

Section 4. Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board of Directors.

Section 5. Assessments. The members and Board of Directors of the Association, with approval of the membership, may establish and set from time to time assessments as provided for and in accordance with Articles VII of the Declaration of Covenants and Restrictions, dated December 15, 1976 and recorded in Book 165, Page 1884, Polk County Registry.

Section 6. Amendment of By-Laws. Except as otherwise provided by law, by the Articles of Incorporation or herein, these By-Laws may be amended or repealed and new By-Laws may be adopted by the affirmative vote of a majority of the members at any annual or special meeting provided, however, that notice of the proposed action shall have been included in the notice of the meeting or shall have been waived as provided in these By-Laws.