

**BY-LAWS OF LAKES OF LOCKWOOD PROPERTY OWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION AMENDED June 2018**

**ARTICLE I
NAME AND LOCATION**

The name of the Corporation is Lakes of Lockwood Property Owners Association, Inc. The principal office shall be located at 2606 Jessica Lane SW, Supply, North Carolina, 28462, but meetings of Members and Directors may be held at any place within Brunswick County North Carolina as may be designated by the Board of Directors.

**ARTICLE II
OBJECTIVES, PURPOSE and GOALS**

Section 1: The objectives of this Association are,

- a) To promote the general welfare of the owners and residents of Lakes of Lockwood;
- b) To further harmonious relations among the members with full regard for the legal rights of all and the preference of the majority;
- c) To provide a sound, realistic, representative basis of liaison and cooperation within the Lakes of Lockwood Community, particularly in respect to the administration of Common areas, privileges and facilities extended for the use of its members;
- d) To have, hold and manage such common property as has been transferred to the Association in accordance with the Declarations of Covenants and restrictions.
- e) To represent the interests of Lakes of Lockwood residents in relationships with other community associations, umbrella groups of community associations, and federal, state and county government agencies deliberating upon matters affecting Lakes of Lockwood owners.

Section 2: The purpose of this Association is to determine by group discussion and to take such concerted action for the advancement of the Community and the objectives of the Association as are deemed favorable to a majority of members.

**ARTICLE III
MEMBERSHIP**

Section 1: Membership is limited to property owners in the Lakes of Lockwood Subdivision.

**ARTICLE IV
PRIVILEGES OF MEMBERS**

Section 1: Membership shall entitle members and their guests to the ordinary use of all Association facilities, subject to the rules established by the Board of Directors.

Section 2: Guests using the Association facilities must be accompanied by a member.

Section 3: All persons who use Association facilities do so at their own risk.

Section 4: Any member of the Association who wishes to make extraordinary use of the clubhouse, pool or any other common property owned by the Association, shall obtain special approval for such use from the Board of Directors.

**ARTICLE V
ASSESSMENTS**

Section 1: As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments. All annual assessments shall be paid as designated by the Board of Directors. Any assessments not paid when due shall be delinquent. Interest, costs and reasonable attorney's fees for collection shall be added to the amount of any assessment due. No owner may waive or otherwise escape liability for assessments by non-use of the common properties or abandonment of his property.

**ARTICLE VI
CONDUCT OF BUSINESS**

Section 1: The rules contained in Robert's Rules of Order Revised shall govern this Association in all cases of regular and special Board meetings and General meetings.

Section 2: At regular Board meetings and General meetings, the agenda shall include the following items.

1. Verification of Quorum
2. Reading of the Minutes of the Previous Regular Meeting.
3. Report of the President, Vice President, Treasurer & Secretary
4. Report of Committees
5. Elections (as required).
6. Correspondence
7. Unfinished Business
8. New Business
9. Possible vote to remove a director/s
10. Adjournment

**ARTICLE VII
MEETINGS
BOARD of DIRECTORS MEETINGS**

Section 1: Regular Meetings

Regular meetings of the Board of Directors shall be held at least monthly. At regular intervals, the Board of Directors shall provide members an opportunity to attend and to speak to the Board about their issues or concerns. The Board may place reasonable restrictions on the number of persons who speak on each side of an issue and may place reasonable time restrictions on persons who speak. A majority of the Directors shall constitute a quorum at regular and special meetings of the Board.

Section 2: Special Meetings

Special meetings of the Board of Directors shall be held when called by the President or by any 2 Directors after not less than 3 days notice to each Director.

Section 3: Minutes of Meetings

Minutes shall be taken at all regular and special meetings of the Board of Directors and shall be disseminated to the Association members by USPS or electronic mail to the addresses on record at least one week before the next regular meeting.

Section 4: Quorum

A majority of the Directors shall constitute a quorum for the transaction of business. Every decision made by a majority of Directors present at a duly held meeting at which a quorum is present shall constitute the decision of the Board of Directors

GENERAL MEMBERSHIP MEETINGS

Section 1: Annual Meetings

Annual meetings shall be held between December 1st and December 15th.

Section 2: Special Meetings

Special meetings may be called at any time by the President or by 3 members of the Board of Directors or upon written application thereof by 10 percent of the members in good standing. No business may be conducted at special meetings other than specifically set forth in the notice of the special meeting.

Section 3: Notice of Meetings

Notice of meetings shall be given by the Secretary not less than 10 nor more than 60 days in advance of any meeting by mailing to each Member's address last appearing on the books of the Association, or to any mailing address supplied by each Member to the Association, or sent by electronic means, including by electronic mail over the internet, to an electronic mailing address designated by the Member. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-Laws, budget changes and any proposal to remove a Director/s..

Section 4: Quorum

The presence at a meeting of Members entitled to cast **10 %** of the votes of the membership in person or by proxy shall constitute a quorum for authorization of any action, except as may otherwise be provided in the Declaration/Covenants or these By-Laws

VOTING

Section 1: Provided a quorum exists, a majority voice vote of members present at any meeting of the Association shall be sufficient to carry any motion or decide any issue except:

Amendment to the Bylaws - Such amendment will require the affirmative vote of at least (30) members of the Association or a majority of the ballots and proxies cast, whichever is the greater number. Such vote shall be by written ballot cast either in person by a member at the meeting or by absentee ballot as hereinafter provided.

Election of Directors - Such election shall be by written ballot, cast either in person by a member at the meeting or by absentee ballot. Positions on the Board of Directors shall be filled by the individuals receiving the highest number of votes.

Section 2: Each lot owner shall be entitled to one vote per lot.

Section 3: Written absentee ballots may be cast by members on the forms provided by the Association under the following circumstances:

- a) For election of Directors;
- b) For amendments to Bylaws or Covenants;
- c) For any matter upon which the Board of Directors seeks instruction from the membership as a whole.

Section 4: The Board of Directors shall prescribe the rules governing the issuance, format and tabulation of absentee ballots, PROVIDED, HOWEVER, that no absentee ballot be opened, inspected or tabulated in advance of the meeting. Ballots must be signed by a property owner.

**ARTICLE VIII
DIRECTORS**

Section 1: The executive power of the Association shall be vested in a Board of Directors, which shall consist of no less than three (3) or more than five (5) members elected from the membership of the Association at a December meeting.

Section 2: The officers of the Association shall consist of a President, Vice-President, Secretary and Treasurer. Only one member of a household shall be eligible to serve on the Board of Directors at any one time.

Section 3: Board Members to be elected for a two-year term. All individuals elected shall serve until their successors are elected or appointed, as the case may be.

Section 4: Vacancies which occur in the Board of Directors, other than by expiration of term, shall be filled by a majority vote of the Board of Directors and the individual so elected shall serve until their successor is elected or appointed, as the case may be.

Section 5: A Director may be removed from office, with or without cause, by vote of a majority of the members present at a meeting at which a quorum is present. In the event of death, resignation or removal of a Director, his/her successor shall be selected from among the members by the remaining members of the Board of Directors and shall serve for the unexpired term of his/her predecessor.

Section 6: The Board of Directors shall submit a budget at the December meeting. . This budget shall show the estimated income and expenditures for the coming year.

ELECTION OF DIRECTORS

A call for candidates to the Board of Directors shall be sent to the address of record, either by USPS or electronic mail, of each lot owner at least sixty (60) days in advance of the December meeting. Candidates should provide their qualifications to the Board within 30 days of the notice. The names of the qualified candidates & their qualifications shall be presented to the community at least 30 days in advance of the December meeting. Additional nominations may be made in the space provided on the absentee ballot.

Positions on the Board of Directors shall be filled at a December meeting by the individuals receiving the highest number of votes cast by the membership of the Association whether voting in person or by absentee ballot. In the event of a tie vote to fill any vacancy, a runoff election shall be held immediately and the person receiving the highest number of votes from those present and voting shall be declared elected.

**ARTICLE IX
DUTIES OF OFFICERS**

Section 1: The President: The President shall be the chief executive officer of the Association and shall, when present, preside at all meetings; he/she shall have all powers ordinarily exercised by the president of a corporation; he/she shall have authority to sign and execute, in the name of the Association, all authorized mortgages, bonds, contracts and other instruments. He/she shall have the power to appoint all committees and shall serve as ex officio member of all committees. He/she shall have the authority to prepare, execute, certify and record amendments to the Declaration on behalf of the association.

Section 2: The Vice-President. The Vice-President shall preside in the absence of the President and otherwise carry out the duties of the latter in the event of his/her absence, inability or refusal to act and shall exercise and discharge such other duties as may be required by the Board. In the absence of the President he/she may cosign checks.

Section 3: The Secretary: The Secretary shall record all votes and keep the minutes of all meetings; shall see that all notices are prepared and distributed; shall be the custodian of the corporation records and, in general, shall perform all duties ordinarily incident to the office of a secretary of a corporation. Shall keep appropriate current records showing the members of the Association together with their addresses, phone numbers and email addresses and perform other duties as required by the Board.

Section 4: The Treasurer: The Treasurer shall have charge and be responsible for all funds, securities, receipts and disbursements of the Association as directed by the Board of Directors. In the name of the Association, he/she shall deposit in a responsible bank all monies received for the account of the Association. He/she shall make all disbursements for the Association by check, counter-signed by the President or by the Vice President in the absence of the President. He/she shall be bonded at Association expense for such sum as the Board of Directors shall deem appropriate, but in no event for less than one thousand dollars (\$1,000). He/she shall keep books of Association accounts showing all income and expenses of the Association. He/she, along with the President, shall prepare an annual budget and statement of income and expenditures to be presented to the Members at the annual Budget Meeting and shall deliver a copy to each of the members at least 10 days in advance of that meeting.

**ARTICLE X
AUDITING COMMITTEE**

At least 30 days in advance of the December meeting The President shall appoint an Auditing Committee, independent of the Board of Directors, to examine the books of the Treasurer and report on them at the meeting.

**ARTICLE XI
COMMITTEES**

The President may establish such committees as he deems necessary to advance the interests of the Association. All committee rules and expenditures must be approved by the Board of Directors.

**ARTICLE XII
FINANCES**

Section 1: There are hereby created the funds described in this Article, which shall be used for the purposes provided in this Article.

Operating Fund

The Operating Fund shall be funded each year with any monies received during that year from dues, entrance fees, interest earned, etc.

The Operating Fund shall be used to fund the normal activities of the community and to pay for the normal maintenance of the community's assets such as maintenance of the common areas, clubhouse and pool, utilities, etc. At the end of each fiscal year any funds left in the Operating Fund that are not otherwise obligated shall be moved to the Reserve Fund

Reserve Fund

The Reserve Fund shall have a goal to be funded in the amount of \$150,000 (2017 dollars). That amount should be sufficient to pay for major repairs to the community assets not covered by insurance.

Amounts held in the Reserve Fund shall be used solely;

- a) To pay the cost of repair, restoration or replacement of any community assets, including roads & ponds.
- b) In the event the Board of Directors deems repair, restoration, or replacement of any property immediately necessary due to a safety hazard or a major disruption of services to bona fide users, the Board of Directors may (without the prior approval of the members of the Association) authorize the expenditure of moneys held in the Reserve Fund for such purposes, together with any available proceeds of insurance, but only up to the amount then held in the Reserve Fund and not committed to other authorized uses.
- c) For legal expenses incurred in the protection of Community assets. In the event the Board of Directors deems legal action immediately necessary, the Board of Directors may (without the prior approval of the members of the Association) authorize the expenditure of funds from the Reserve Fund for such purposes, but only up to the amount then held in the Reserve Fund and not committed to other authorized uses.

Section 2: The POA shall not undertake any NEW construction project or improvements to the community's assets without first presenting to the membership for approval, at a regular or special meeting, a plan for financing such projects or improvements. Moneys held in the Reserve Fund shall not be used to finance any such NEW projects or improvements.

Section 3: The Treasurer shall report to the Board of Directors and the membership of the Association at any meeting thereof the status of the Operating Fund & Reserve Fund, including (without limitation) additions to and withdrawals from the funds since the last report, current fund balance and any amounts set aside for specific purposes.

**ARTICLE XIII
BOOKS AND RECORDS INSPECTION**

The books, records and papers of the Association shall be subject to inspection by any member upon fifteen (15) days prior written request. The Declaration, Articles of Incorporation and By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies shall be made available at a reasonable price.

**ARTICLE XIV
Corporate Seal**

The Association shall have a seal in a circular form having within its circumference the words: LAKES OF LOCKWOOD PROPERTY OWNERS ASSOCIATION, INC.

**ARTICLE XV
AMENDMENTS**

As previously stated under Voting, these By-Laws may be amended by the affirmative vote of at least (30) members of the Association or a majority of the ballots and proxies cast at a special or regular meeting, whichever is the greater number. Such vote shall be by written ballot cast either in person by a member at the meeting or by absentee ballot.

**ARTICLE XVI
FISCAL YEAR**

The fiscal year of the Association shall be the calendar year.

**ARTICLE XVII
CONFLICTS**

In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; in case of any conflict between the Declaration and these By-Laws, the Declaration shall control; in case of a conflict between the Articles and the Declaration, the Declaration shall control.

**LAKES OF LOCKWOOD PROPERTY OWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS.**

Date 4 JUNE 2

President John W. Rhoads
Vice President John W. Rhoads
Treasurer Ann Fusch
Secretary Ann Fusch
Director Ann Fusch