

BY-LAWS  
OF  
LAKESIDE SQUARE OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is the Lakeside Square Owners Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1400 Battleground Avenue, Suite 201, Greensboro, Guilford County, North Carolina, but meetings of members and directors may be held at such places within the State of North Carolina, County of Guilford, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Lakeside Square Owners Association, its successors and assigns.

Section 2. "Board of Directors" shall mean and refer to the Board of Directors of the Association duly elected in accordance with the By-Laws of the Association.

Section 3. "Common Area" shall mean all real property owned or to be owned by the Association for use by the Association. The Common Area is shown and referred to as "Common Area" on that certain plat entitled "Lakeside Square" which shall be recorded in the Office of the Register of Deeds of Guilford County, North Carolina, and such other plats as are subsequently recorded to effect the development of future phases of Lakeside Square ("Plat").

Section 4. "Declarant" shall mean and refer to Lake Brandt Partners, LLC, a North Carolina limited liability company, its successors and assigns.

Section 5. "Lot" shall mean and refer to any numbered lot shown upon the Plat, but Lot shall not refer to Lot 1 because Lot 1 is not to be included in any phase of Lakeside Square.

Section 6. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot identified in the Plat, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

## ARTICLE III

### MEMBERSHIP, PROPERTY RIGHTS AND ASSESSMENTS

Section 1. Membership. Every person or entity who or which is a record owner of a fee or undivided fee interest in any lot which is subjected under the Declaration to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

Section 2. Assessments. As more fully provided in the Declaration, each member is obligated to pay the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall become delinquent. If the assessment is not paid within thirty (30) days after the due date, then the assessment shall bear interest from the date of delinquency at the highest lawful rate not to exceed ten percent (10%) per annum. The Association may foreclose the lien against the property or bring an action at law against the Owner personally obligated to pay the assessments for the amount of the delinquent assessments, interest, costs and reasonable attorney's fees of any such action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 3. Property Rights. The Common Area is expressly not dedicated for use by the general public but is to be owned by the Association for the common use of the Owners of Lots in the Lakeside Square Subdivision; as more fully provided in the Declaration.

## ARTICLE IV

### MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members of the Association shall be held between May 31, 1996 and December 31, 1996, and each subsequent regular annual meeting of the members shall be held between May 31 and December 31 of each year thereafter, at the hour of 7:00 o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board, or upon written request of any member(s).

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary of person authorized to call the meeting, by mailing first-class a copy of such notice, postage prepaid, at least 10 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Waiver by a member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, seventy-five percent (75%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or the By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

## ARTICLE V

### BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a board of three (3) directors (hereinafter "Board of Directors"), who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting, and at each annual meeting thereafter, the members shall elect three (3) directors for a term of one year, or until their successors are properly chosen.

Section 3. Removal. Any director may be removed from the Board of Directors, with or without cause, by a unanimous 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 of Directors, and shall serve for the unexpired term.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which they could take a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

## ARTICLE VI

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VII

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly, or at such other periodic intervals as may be established by the Board of Directors from time to time, without notice, at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should a regular meeting of the Board of Directors fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision is done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors, unless the Articles of Incorporation or the Declaration provide otherwise.

## ARTICLE VIII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing the use of the Common Area;
- (b) suspend the voting rights and any other rights of a member during any period in which such member shall be in default in the payment of any assessment, dues or charge levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulation;
- (c) 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 Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and
- (f) employ attorneys to represent the Association when deemed necessary.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or any special meeting when such statement is requested in writing by one-half (1/2) of the members of any class of membership who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
  - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
  - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
  - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law

against the Owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability insurance covering the Association, its directors, officers, agents and employees and to procure and maintain adequate hazard insurance on any real and personal property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(f) cause the Common Area to be maintained.

## ARTICLE IX

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date and 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

**President**

(a) the President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out, and shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes;

**Vice-President**

(b) the Vice-President shall act in the place and stead of the President in the event of his absence, disability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors;

**Secretary**

(c) the Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members, keep the corporate seal of the Association and affix it on all papers requiring said seal, and serve notice of meetings of the Board of Directors and of the Association together with their address and shall perform such other duties as required by the Board of Directors;

**Treasurer**

(d) the Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall authorize payment of all checks and co-sign promissory notes of the Association, keep proper books of account, and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its annual meeting and deliver a copy of each to the members of the Association.

**ARTICLE X**

**COMMITTEES**

The Board of Directors may appoint committees as deemed appropriate in carrying out its purpose and to carry out those functions of the Association under the Declaration.

#### ARTICLE XI

##### BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

#### ARTICLE XII

##### CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Lakeside Square Owners Association, Guilford County, North Carolina.

#### ARTICLE XIII

##### AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, with the assent of seventy-five percent (75%) of the votes of each class of members of the Association. Upon the sale of the first Lot, as such term is defined in the Declaration, and as long as there is a Class B Membership, the prior approval of the HUD/VA is required in the event of the annexation of additional properties, mergers and consolidations, mortgaging of the Common Area and dissolution and amendment of the By-Laws. Prior to the sale of the first Lot, notice must be given to HUD/VA prior to the annexation of additional properties, mergers and consolidations, mortgaging of the Common Area and dissolution and amendment of the By-Laws.

Section 2. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

#### ARTICLE IX

##### MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the



date of incorporation.

This the 2 day of August, 1996.

SECRETARY:

*Cynthia R. Osborne*  
CORPORATE SEAL

