

BYLAWS OF THE MALLARD LAKES ASSOCIATION

ARTICLE ONE – NAME AND LOCATION

The name of the association is MALLARD LAKES ASSOCIATION, herein referred to as the “association.” The principal office and the registered office of the corporation shall be located at PO Box 45, Bethania, Forsyth County, North Carolina, 27010 but meetings may be held at such places within the state of North Carolina as may be designated by the Board of Directors.

ARTICLE TWO – DEFINITIONS

Section 1. Association shall mean MALLARD LAKES ASSOCIATION.

Section 2. "Common Area" shall mean all real property owned by the association for the common use and enjoyment of the members of the association.

Section 3. "Lot" shall mean and refer to any plot of land used for single family residential purposes and located within a subdivision brought within the jurisdiction of the association.

Section 4. "Member" shall mean and refer to a person designated on the records of the association as a member.

Section 5. "Owner" shall mean and refer to record owner of the fee paid simple title to any lot or dwelling unit within the jurisdiction of the association, excluding, however, those holding such interest merely as security for the performance of an obligation.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to real property brought within the jurisdiction of the association.

Section 7. "Dwelling unit" shall mean and refer to an area approved by law for occupancy by a single family notwithstanding whether one or more such units may be located in a single building or a group of buildings.

ARTICLE THREE – MEMBERSHIP

Section 1. Membership. The membership of the association is composed of two (2) classes:

(a) Class A Members. Class A members are the owners of lots within the jurisdiction of the association, and the residents of multi family dwelling units within the jurisdiction of the association.

(b) Class B members. Class B members are all members of the association other than class A members, who may be admitted to the association upon such conditions and subject to such rules and regulations as the Board of Directors may from time to time prescribe.

Section 2. Voting Rights. The voting rights of members are confined to the Class A Members. Each lot and dwelling unit shall be entitled to one vote which shall be cast by the owner thereof.

Section 3. Suspension of membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the association, such members voting rights and rights to the use of recreational facilities may be suspended by the board of directors until such assessment is paid. Suspension of voting rights and the rights to use the recreational facilities shall not constitute a waiver of the association to enforce an assessment against the property of a member as provided in the Declaration. A members voting rights and rights to use the recreational facilities may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, upon a finding at such hearing that a member has violated any of the rules or regulations established by the board of directors to govern or regulate the use of the common areas and facilities.

ARTICLE FOUR – PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Subject to the provision relative to suspension of membership, each member shall be entitled to the use and enjoyment of the common area and facilities as provided in the declaration. A member's rights to the use and enjoyment of the common areas and facilities shall extend to the household of such member, including temporary guests while in the presence of his household. A member may delegate his rights of enjoyment of the common area and facilities to his tenant: provided, such member shall notify the secretary in writing of the name of any tenant. The board of directors may require that members display identification cards while using common areas or facilities.

Section 2. Irrespective of the fact that the declaration gives the association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the common area, this right shall not be exercised as to the class A members for a period of Years from the date of recordation of the declaration, and thereafter only upon written approval of two- thirds (2/3) of the entire class A membership.

ARTICLE FIVE – BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. After the first annual meeting of members, the affairs of the association shall be managed by a board of nine (9) directors, who need not be members of the association.

Section 2. Election. At the first annual meeting of members of the association. The class A members shall elect (3) directors for a term of (1) year, three (3) directors for a term of two (2) years and three (3)

directors for a term of three (3) years; at each annual meeting thereafter the class A members shall elect three (3) directors for a term of three (3) years.

Section 3. Removal. Any director may be removed from the board, with or without cause, by a majority vote of the class of members electing such director. A vacancy created by removal of a director shall be filled only by a majority vote of the class of members creating said vacancy. Upon the death or resignation of a director, his successor shall be selected by the remaining members of the board to serve for the unexpired term of his predecessor.

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 as a director. A director may receive compensation for services rendered to the association other than as a director. Any such compensation paid to a person who is a director for services rendered to the association shall be described fully in the notice of the annual meeting of the members.

Section 5. Action taken without meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining written approval of such percentage of the directors as may be required for such action at a meeting of directors when all directors were present. Any action so approved shall have the same effect as though taken at a meeting of the directors. Any action so taken shall be reported to all of the directors as soon as practicable thereafter and the dissent of any director to such action shall, upon request of such director, be recorded in the minutes of the directors.

ARTICLE SIX – MEETINGS OF DIRECTORS

Section 1. Regular meetings. Regular meetings of the board of directors shall be held at least quarterly, at such time and place as may be fixed by resolution of the board. No further notice shall be required of a regular meeting.

Section 2. Special meetings. A special meeting of the board of directors shall be held upon the call of the president of the association, or of any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. Majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of directors present at a duly convened meeting at which a quorum is present shall be regarded as an act of the board.

ARTICLE SEVEN – NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the board of directors shall be made by a nominating committee. Nominations may also be made from the floor at an annual meeting of members. The

nominating committee shall consist of the president of the association and two (2) other persons appointed by the president with the consent of the board of directors. The nominating committee shall act sufficiently in advance of the annual meeting of the members so as to disclose its nominations to the members in the notice of the annual meeting.

Section 2. Election. Election to the board of directors shall be by secret written ballot distributed to the class A members. A ballot shall be mailed to each class A member with a notice of the annual meeting of members. Such ballot may be returned by mail in the envelope provided by the association and will be counted as if cast at the annual meeting of members. A class A member in lieu of voting for directors by mail may appear and vote for directors in person by written secret ballot at the annual meeting. No proxies may be recognized at an annual or special meeting of members. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE EIGHT – POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The board of directors shall have power:

- (a) To adopt and publish rules and regulations governing the use of common area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.
- (b) To exercise for the association all powers, duties and authority vested in or delegated to this association not reserved to the membership by other provisions of these bylaws, the articles of incorporation, or the declaration;
- (c) to declare the office of a member of the board of directors to be vacant in the event such member be absent from three (3) consecutive meetings of the board of directors; and
- (d) to employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the board of directors:

- (a) to 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 to present such statement at any special meeting, when such statement is requested in writing by one fourth (1/4) of the class A members who are entitled to vote.
- (b) to supervise all officers, agents and employees of the association, and to see that their duties are properly performed.
- (c) As more fully provided herein and in the declaration:
 - (1) to fix the amount of the annual assessment against each lot and dwelling unit at least thirty (30) days in advance of each annual assessment period; and
 - (2) to send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;

- (d) to issue, or cause an appropriate agent to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;
- (e) to procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the association;
- (f) to cause all officers or employee having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) to cause the common area to be maintained;
- (h) to cause the books of the association to be examined at least annually by an independent Certified Public Accountant.

ARTICLE NINE – COMMITTEES

Section 1. The board of directors shall appoint committees as deemed appropriate in carrying out its purposes, such as:

1. A Recreation Committee which shall advise the board of directors on all matters pertaining to the recreational program and activities of the association and shall perform such other functions as the board, in its discretion, determines;
2. A Maintenance Committee which shall advise the board of directors on all matters pertaining to the maintenance, repair or improvements of the properties, and shall perform such other as the board in its discretion determines;
3. A Publicity Committee which shall inform the members of all activities and functions of the association and shall, after consulting with the board of directors, make such public releases and announcements as are in the best interests of the association;
4. A Finance Committee which shall prepare an annual budget to be submitted to the directors for approval and otherwise advise the directors relative to the fiscal affairs of the association. The finance committee shall assist the independent Certified Public Accountant in the preparation of a summary of a statement of income and expenses which shall be presented to the members at their regular annual meeting; The treasurer shall be the chairman of the Finance committee.

Section 2. It shall be the duty of each committee to receive complaint from members on any matter involving association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee director or officer of the association as is further concerned with the matter presented.

ARTICLE TEN – MEETING OF MEMBERS

Section 1. Annual meetings. The first annual meeting of members shall be held within eighteen (18) months from the date of incorporation of the association at a time and place approved by the board of directors. Each subsequent annual meeting shall be held within thirteen (13) months of the preceding meeting at a time and place approved by the board of directors and designated in the notice of the meeting. Notice of the annual meeting shall be mailed to the members not less than thirty (30) nor more than fifty (50) days on advance thereof. Notice of the annual meeting shall contain a report of the nominating committee.

Secret ballots for the purpose of electing directors shall be mailed to class A members at the time of mailing the notice of the annual meeting.

Section 2. Social Meetings. Special meeting of the members may be called at any time by the president or the board of directors, or upon written request of class A members entitled to cast one- fourth (1/4) of the votes needed to elect a director. The secretary shall give written notice to the members of a special meeting by mailing a copy of such notice, postage [prepaid, at least fifteen (15) days prior to the special meeting. Said notice shall specify the place, day and hour of the meeting and the purpose thereof.

Section 3. Quorum. The presence at the meeting of members entitled to cast ten per cent (10%) of the votes of each class of membership shall constitute a quorum, If however, a quorum shall not be present at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum be present.

Section 4. Proxies. A member may vote only in person and not by proxy. A member may, however, upon the question of election of directors or dissolution of the association vote by mail using a form which shall be prescribed by the board of directors.

ARTICLE ELEVEN – OFFICERS AND THEIR DUTIES

Section 1. Enumeration of officers. The officers of this association shall be a president and a 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 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 and each shall hold office for one (1) year and until a successor shall be elected unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special appointments. The board 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 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. Any officer may resign at any time by giving written notice to the board, the president or the secretary. 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.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected 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 be the principal officer of the association and subject to the control of the board of directors, shall supervise and control the management of the association in accordance with these bylaws. He shall, when present, preside at all meetings of members. He shall sign, with any other proper officer, certificates of membership in the association, and any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the association, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be designated by the board of directors to some other officer or agent; and, in general, he shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

Vice President

(b) The Vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members, keep the corporate seal of the association and affix it on all papers requiring said seal; serve notice of meetings of the board and of the members; keep appropriate current records showing the members of the association together with their addresses, and shall perform such other duties as required by the board or incident to the office of secretary.

Treasurer

(d) The treasurer shall supervise the receipt and deposit of all moneys of the association and the disbursement of such funds as directed by resolution of the board of directors, sign and countersign checks and promissory notes of the association, cause the keeping of proper books of account, cause an audit of the books of the association to be made by an independent Certified Public accountant approved by the board of directors at the completion of each fiscal year, and with the assistance of the financial committee, submit an annual budget and a statement of income and expenditures to the board of directors for presentation to the membership at its regular annual meeting, make recommendations

to the board of directors relative to the fiscal affairs of the association and perform such other duties as required by the board incident to the office of treasurer.

ARTICLE TWELVE – CONTRACTS, 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 on behalf of the association and such authority may be general or confined to specific instances.

Section 2. 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 official 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 3. 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.

ARTICLE THIRTEEN – GENERAL PROVISIONS

Section 1. Waiver of Notice. Whenever any notice is required to be given to any member or director under provisions of the North Carolina Non~Profit Corporation Act or under the provisions of the Charter or bylaws of this association a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 2. Fiscal year. Unless otherwise ordered by the board of directors by action recorded in the minutes the fiscal year of the association shall be the calendar year.

Section 3. Amendments. Except as otherwise provided herein, these bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of the majority of the directors then holding office at any regular or special meeting of the board of directors. No alteration, amendment or rescission of a bylaw shall be Voted upon unless notice has been given in the notice of the meeting or unless all of the directors of the association execute a written waiver of notice stating that action upon the bylaws is to be taken at the meeting, and the original of such waiver shall be recorded in the minute book.

ARTICLE FOURTEEN – GUIDELINES

Section 1. It is the responsibility of all members to assist in keeping Mallard Lakes a desirable place to live by helping to keep the common areas neat clean and tidy. Report any unlawful occurrences to the proper authorities. Obey the guidelines for use of the common areas.

Section 2. Docks. Docks on the lakes should not protrude more than 10 feet from the shoreline as determined by the standpipe level of the lake. Permission should be obtained from the board prior to building any new structure on the lakes.

Section 3. Driving and Walking. The posted speed limit is 25 MPH. Please observe the speed limit. Please be cognizant of residents who are walking in the neighborhood. If you walk, walk on the left facing the traffic. Be extremely aware of all children who are playing, walking and cycling in the streets.

Section 4. Noise. Restrict all unnecessary noise. The city has a noise ordinance restricting loud noise to 50 feet.

Section 5. Burning. Exterior burning is a violation of a city ordinance.

Section 6. Appearance. A clean and tidy neighborhood increases the property values of all the homes. Please keep individual yards neat and tidy.

Section 7. Dues. Upkeep of common areas, maintenance of the dams, cost for liability insurance on all the common areas is all necessary to keep Mallard Lakes a quality place to live. Please pay all dues on time.

Section 8. RULES FOR THE BEACH AREA AND LAKES.

1. No Trespassing. The beach area is for residents and their guests only.
2. All guests must be accompanied by a member.
3. Residents under 18 are limited to two guests.
4. No Glass containers are allowed.
5. No food or beverages allowed on the pier.
6. Children under 10 must be with an adult.
7. No fishing from the beach or pier.
8. The beach area closes at dusk.
9. Any resident has the authority to ask any violator to leave.
10. Large parties should be approved by the Mallard Lakes board of directors,
11. No loitering. Clean up your trash before leaving the area.
12. No vehicles allowed on the beach.
13. Only Electric Trolling Motors are permitted in the neighborhood lakes.