

BYLAWS OF THE  
DEERLAKE VILLAGE COMMUNITY ASSOCIATION  
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**Bylaws of the Deerlake Village  
Community Association, Inc.**

**ARTICLE I**

**Identity**

These are the Bylaws of the DEERLAKE VILLAGE COMMUNITY ASSOCIATION, INC., a North Carolina nonprofit corporation ("DVCA").

For purposes of these Bylaws, terms specifically defined either in the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Deerlake Village (the "Declaration") for the residential community to be known as "Deerlake Village" in Transylvania County, North Carolina (herein "Deerlake Village"), or the North Carolina Nonprofit Corporation Act, Chapter 55A, North Carolina General Statutes (herein "the Corporation Act"), or parts 47F-2-103, 47F-2-118, 47F-2-121, 47F-3-102, 47F-3-103(a), 47F-3-107, 47F-3-115(b), 47F-3-115(e), 47F-3-116(a), 47F-3-116(b), 47F-3-116(c), 47F-3-116(d), 47F-3-116(e), 47F-3-116(g), 47F-3-120 of the North Carolina Planned Community Act, North Carolina General Statutes (herein "the Act") shall have the same meaning herein. Unless the Declaration or Bylaws expressly provide otherwise, the procedures and substantive matters governing DVCA can be determined by reference to the Corporation Act or the Community Act. In the event of any conflict between the Corporation Act and the Community Act, the Community Act shall control.

**ARTICLE II**

**Qualifications and Responsibilities  
of Members**

2.1. Members. Every Owner of a Lot in Deerlake Village shall be a member of DVCA, and shall remain a member until such person ceases to be an Owner of a Lot

2.2. More Than One Owner; Voting Member. When there is more than one Owner of a Lot, all such persons shall be members of DVCA; provided, however, that in such a case, said Owners shall designate in writing with the Secretary of DVCA a Voting Member for purposes of casting the one (1) vote per Lot on matters requiring a vote of DVCA, including, but not limited to, any amendments to the Declaration or election of persons for the DVCA Board of Directors ("Board"). For the purpose of sufficient receipt of notice of violations or for any other notices required by the Declaration or these Bylaws, notice to the Voting Member shall be binding on all other Owners of the Lot.

2.3. Registration. It shall be the duty of each Owner of a Lot to register his/her name and his/her mailing address with the Secretary of DVCA. If an Owner of a Lot does not so register, then DVCA shall be under no obligation to recognize his/her privileges of being a member. In no event shall an Owner of a Lot avoid personal responsibility for the obligations of being a member, including the payment of assessments, from his or her failure to register.

2.4. Prohibition of Assignment. The interest of a member in DVCA assets cannot be transferred or encumbered except as an appurtenance to such person's Lot. As provided in the Declaration, the Board may enter into contracts with other associations or persons outside Deerlake Village Community Association wherein certain rights to the use of Common Elements are provided.

2.5. Non-voting Members. When there is more than one Owner of a Lot, the Owners not designated as the Voting Member as provided in 2.2 above for that Lot are considered "non-voting members".

**Article III**  
**Rights of Owners**

3.1 Attendance at Board Meetings. Members shall have the right to attend the Board of Directors' regular and special meetings, other than those determined (before or during the meeting) by the Directors to be executive sessions to discuss litigation, homeowner issues, or business of a confidential nature. Members will be notified of meetings as described in 4.4 below.

3.2 Member Comment. Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of the Board. However, members may be provided a reasonable opportunity to address any Directors' meeting, other than those in executive session; provided, however that control of the meeting shall always remain with the Directors, discussions may be closed on an issue at any time, and a meeting may be declared to be in executive session at any time by a majority vote of the Directors present.

3.3 Membership Records. The membership register, records of account, and minutes of meetings shall be made available for inspection and copying by any member at any reasonable time and for a purpose reasonably related to his or her interest as an member. DVCA shall make available, within a reasonable time, upon reasonable request therefore, copies of the Declaration, these Bylaws, and the Rules and Regulations. The DVCA Board may set rules for notice to be given, days and times when records may be inspected and may charge a reasonable amount to compensate it for the copying costs of requested documents.

**ARTICLE IV**  
**Member Meetings and Voting**

4.1. Place. Meetings of the members shall be held at such place within Deerlake Village or within Transylvania County, North Carolina, as may be designated from time to time by the Board of DVCA.

4.2. Annual Meeting. Annual meetings of the DVCA shall be set by the Board so as to occur within 45 days before the close of DVCA's fiscal year as defined below in Article VIII. The Board shall set the date, time, and place of such meetings. At the annual meeting Qualified Voting Members (as defined below) will vote on applicable Director elections, on the annual budget submitted by the Board, and on any other matters that have been presented by the Board in advance to the membership. Notice of the annual meeting shall be communicated to the members as described in 4.4.

4.3. Special Meetings. Special meetings of the members may be called at any time by the President or by a majority of the Board, and shall be called and held within sixty (60) days after written request thereof signed by Qualified Voting Members of DVCA entitled to cast at least twenty five percent (25%) of the total votes in the DVCA is delivered to the Secretary. No business shall be transacted at a special meeting except that which is stated in the notice thereof, unless by consent of a majority of Qualified Voting Members present. Notice of the meeting shall be communicated to the members as described in 4.4.

4.4. Notices. The Secretary shall provide a notice of each annual or special meeting to each owner at least ten (10), but not more than sixty (60) days, prior to such meeting. The notice shall include the date, time, place, purpose of the meeting, and a summary of all matters on

which votes will be taken. Notice shall be delivered personally, electronically, or by mail to the Voting Member's address in Deerlake Village or to such other address for the Voting Member as Lot owners shall have specified to the DVCA in writing. A notice mailed shall be deemed delivered the earlier of actual delivery or third day following mailing. Notice of the time and place of the annual meeting shall be posted in a prominent place within the Common Elements not less than seventy two (72) hours prior to the scheduled time of the meeting.

4.5. Quorum at Meetings. Quorum shall consist of Qualified Voting Members present, in person or by proxy, entitled to cast at least twenty-five percent (25%) of the total votes in the DVCA. If a quorum is not present, the meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. The quorum requirement for the next meeting called due to the lack of a quorum shall be fifteen (15%) percent of the total votes in the DVCA.

4.6. Vote. Each Lot is entitled to one (1) vote. When there is more than one Owner of a Lot, said Owners shall designate in writing the person authorized to vote for said Lot as provided in 2.2 above.

4.7. Manner of Casting Votes. Votes may be cast in person, by ballot or by proxy. A proxy must be in writing, be signed by the Qualified Voting Member of the Lot, the votes of which are subject to the proxy and be filed with the Secretary on or before the meeting. A proxy shall be valid until revoked in writing by the Qualified Voting Member of such Lot or by the attendance and announcement to the person presiding over the DVCA meeting of the Qualified Voting Member of such Lot. A proxy should denote the vote desired on a specific issue and/or general authorization to the proxy holder to vote according to his/her discretion. A proxy is void if not dated. A proxy terminates 11 months after its date, unless it specifies a shorter term.

4.8. Required Votes. All questions shall be decided by a majority of the votes cast on the question, unless the provisions of applicable law, the Declaration or these Bylaws require a greater vote.

4.9. Action by Members Without Meeting. Any action that may be taken at a meeting of the members may be taken without a meeting if such action is authorized in writing setting forth the action taken and is signed by all members, or if such action is taken in any other manner permitted by law.

4.10. Prohibition of Cumulative Voting. There shall be no cumulative voting.

4.11. Pre-condition to Suits by Members. The affirmative vote of no less than two-thirds (2/3) of Qualified Voting Members in the Association shall be required in order for a member to file a complaint on behalf of DVCA with any governmental agency which has regulatory or judicial authority over Deerlake Village or any part thereof or to assert a claim for DVCA.

4.12. Qualified Voting Member. For purposes of these Bylaws, "Qualified Voting Member" shall mean a member who is designated as the Voting Member for a Lot as set forth in 2.2 above and whose Lot is not disqualified from voting as provided in Article III, Section 1(b) of the Declaration for delinquent assessments or other violations of the Declaration.

4.13. Majority Defined. For purposes of these Bylaws, the term "majority" shall mean those votes totaling more than fifty percent (50%) of the Qualified Voting Members or of the Directors.

4.14. Parliamentary Procedures. *Robert's Rules of Order* shall be used at all meetings. The order of business at all meetings shall be as follows, unless otherwise agreed by a majority of Directors:

- (a) Reading of minutes of preceding meeting;

- (b) Reports of Officers;
- (c) Reports of Committees;
- (d) Elections/Votes (when so required);
- (e) Unfinished business;
- (f) New business; and
- (g) Discussions.

## **Article V**

### **Board of Directors**

5.1 **Board Makeup.** The affairs of the DVCA shall be governed by the Board of Directors which shall be composed of not less than five (5) nor more than seven (7) persons. Each member of the Board shall be either the owner of a Lot or have an interest therein. No two owners or residents of the same property may serve on the Board at the same time.

5.2 **Director Nominations.** A Nominating Committee shall make nominations for election to the Board. The Nominating Committee shall consist of a Chair, who shall be a member of the Board, and three or more members of the DVCA. The Nominating Committee shall be appointed by the Board not less than four (4) months prior to each annual meeting to serve until close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of vacancies or terms to be filled. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the members.

5.3. **Director Terms.** The term of a Director shall be fixed at three (3) years, commencing at the close of the annual meeting of their election. A Director shall not serve more than two successive three-year terms. Terms shall be staggered so that approximately one third of the Directors are elected each year. The members of the Board shall hold office until their respective successors shall have been elected. The persons receiving the largest number of votes shall be elected. A Director may resign at any time by giving written notice to the Board, the President, or the Secretary.

5.4. **Vacancies.** Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the DVCA shall be filled by vote of the majority of the then remaining Directors. Each person so elected shall serve the unexpired portion of the vacated term. Any Director so elected by the Board to fill a partial term may be considered by the Nominating Committee to run for a full term of office as Director.

5.5. **Removal.** At any regular or special meeting of the DVCA duly called, any one or more of the Directors may be removed, with or without cause, by a majority of the Qualified Voting Members in the Association; and their successors may then and there be elected by a majority of the Qualified Voting Members to fill the vacancy or vacancies thus created. Any Director whose removal has been proposed shall be given notice prior to any meeting called for that purpose and given an opportunity to be heard at the meeting. Should an entire Board be removed and a new one be elected, the first meeting of that Board shall be held within ten (10) days of election.

5.6. **Board Regular Meetings.** Regular meetings of the Board, one of which shall be the annual meeting of the DVCA, shall be held at least four times each year. The Board shall set the date, time, and place of such meetings. Notice of regular meetings of the Board shall be given to each Director personally, electronically or by mail at least three (3) days prior to the date set for

such meeting. At regular meetings the Board shall transact such business of the DVCA as may properly come before it.

5.7. Board Special Meetings. Special meetings of the Board may be called by the President or Secretary with notice to each Director personally, electronically, or by mail at least three (3) days prior to the date set for such meeting. Except for what is set forth in the notice of the special meeting, nothing shall be considered, unless consented to at the meeting, by at least two thirds of all elected Directors.

5.8. Closed Meetings. Executive sessions may be held when a majority of the Board agrees to adjourn a regular or special meeting or call an executive session to discuss and/or vote on litigation, homeowner issues, or business of a confidential nature.

5.9. Work Sessions. The Board may hold Work Sessions to explore in depth issues and formulate action plans. Work Sessions may be called at such time and place as shall be determined, from time to time, by a majority of Directors. Notice of work sessions of the Board shall be given to each Director personally, electronically or by mail at least three (3) days prior to the date set for such meeting. Participants at work sessions shall include Directors and may include owners needed to address an issue. All motions and votes taken will be presented and entered into the minutes of the next regular meeting and reported in the newsletter.

5.10. Notice Waiver. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by such person of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.11. Action Without a Meeting. Any action that may be taken at a meeting of the Board may be taken without a meeting if consent, electronically or in writing, setting forth the action so taken, is signed by all the Directors. An explanation of the action taken shall be mailed to each owner or posted in a prominent place in the common elements after the written consent of all Board members have been obtained.

5.12. Director Attendance. Four absences from Board meetings and/or work sessions during a fiscal year for reasons other than illness or travel shall constitute reason to remove a Director. The Secretary shall mail a written notice to a Director who has three such absences during a fiscal year, informing the person that any additional absence during the year may cause the person to be terminated as a Director. When a Director incurs a fourth such absence for the year, the Board shall vote, in executive session, on whether to remove the person. The person will be removed effective immediately after an affirmative vote. The Secretary shall provide written notice to the person, informing that such person is no longer a Director.

5.13. Quorum; Action Required. At all meetings of the Board, a majority of the Directors then in office shall constitute a quorum for the transaction of business and acts of the majority of the Directors present at a meeting at which a quorum is present shall be acts of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called, notice of which shall be provided to all Directors not then present.

5.14. Powers and Duties of Board. All of the powers and duties of DVCA shall be exercised by the Board, including those existing under the common law, applicable statutes, the

Corporation Act, the N.C. Planned Community Act, the Declaration, the Articles, and these Bylaws, as any thereof may from time to time be amended. Such powers and duties shall be exercised in accordance with the provisions of applicable law, the Corporation Act, the N.C. Planned Community Act, the Declaration, the Articles of Incorporation, and these Bylaws, and shall include, but not be limited to, the following:

(a) To prepare and provide to members annually, a budget summary report for each fiscal year, said budget summary report containing at least the following:

- (1) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the Board.
- (2) A statement of the financial condition of the DVCA for the last Fiscal Year.
- (3) A statement of the status of any pending suits or judgments in which DVCA or the Board is a party.
- (4) A statement of the insurance coverage provided by the DVCA.
- (5) A statement of any unpaid assessments payable to DVCA, identifying the Lot and the amount of the unpaid assessment. **All Lot owners do hereby acknowledge that this reporting of unpaid assessments shall not constitute a violation of any federal or state unfair debt collection laws.**

(b) The Board shall provide all members a summary of the budget as provided above and in Section 9.3 below. The following accounting standards of performance shall be followed unless the Board, by resolution, specifically determines otherwise:

- (1) accrual accounting;
- (2) accounting and controls should conform with established American Institute of Certified Public Accountants guidelines and principles; and
- (3) monthly financial reports, which contain an income statement, an operating expense summary, and a balance sheet for the month.
- (4) an audit of the Associations books will be performed at least once every five (5) years by a Certified Public Accountant other than the CPA engaged to do the DVCA bookkeeping.

(c) To adopt and amend budgets (with the ratification of the membership as provided in section 9.3 below) and to determine, and collect assessments to pay the DVCA's common expenses, including operating expenses and Common Element maintenance fees, insurance and capital improvement costs. The Board shall engage a certified public accountant to do the DVCA bookkeeping, to file annual tax returns and to assist in preparing the report described above.

(d) To regulate the use of, and to maintain, repair, replace, modify and improve the Common Elements.

(e) To adopt and amend Rules and Regulations and to establish reasonable penalties for infraction thereof.

(f) To enforce the provisions of the Declaration, the Articles, these Bylaws, the Act, and Rules and Regulations by all legal means, including injunction and recovery of monetary penalties.

(g) To hire, oversee and terminate agents and independent contractors.

(h) To institute, defend, intervene in, or settle any litigation or administrative proceeding in its own name on behalf of itself on matters affecting the Common Elements or enforcement of the Declaration, the Bylaws or the Rules and Regulations of DVCA.

(i) To establish and dissolve and liquidate, from time to time, reserve accounts for any purpose.

(j) To borrow money for the maintenance, repair or replacement of the Common Elements and to pledge and pay assessments, and any and all other revenue and income, for such purpose.

(k) To buy Lots in foreclosure of an assessment lien, or at any other time or for any other reason, and to sell, lease, mortgage, and otherwise deal in Lots from time to time owned by DVCA.

(l) To grant leases, licenses, concessions and easements through and over the Common Elements, unless contrary to the Declaration.

(m) To impose and collect reasonable charges, including reasonable costs and attorneys' fees, for the enforcement of any use restrictions or Rules and Regulations set forth in the Declaration or these Bylaws or as adopted by the Board.

(n) To provide for indemnification of DVCA's officers, Directors and committee members and maintain Officers and Directors liability insurance.

(o) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, these Bylaws, or the Rules and Regulations. Any assessments, charges or fines levied against members shall specifically relate to the need to preserve and fulfill the purposes set forth in DVCA's Articles of Incorporation and are applied to owners of Lots in their capacity as owners-members rather than in some other capacity such as customers for services.

(p) By majority vote, the Board may charter committees, in addition to the Architectural Review and Landscape Review Committees, to perform such tasks, have such powers, and serve for such time as the Board so directs. Committee chairs and members shall be appointed by and serve at the discretion of the Board. Where possible, committee membership should reflect the community as a whole.

(q) To represent the DVCA in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of common elements, or part thereof. In the event of a taking or acquisition of part or of all the common elements by a condemning authority, the award proceeds of settlement shall be payable to the DVCA for the use and benefit of the DVCA as required by the Declaration.

5.15. Membership Vote Required. The Board shall not take any of the following actions without the affirmative vote of a majority of the Qualified Voting Members in the Association at a meeting duly called for such purpose as specified in Section 4.3 of the Bylaws, or at the Annual Meeting with notice as required in Section 4.4 of the Bylaws.

- (a) incurring unbudgeted aggregate expenditures for capital improvements to the common elements in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the DVCA for that fiscal year;
- (b) selling during any fiscal year property of the DVCA having an aggregate fair market value in excess of five percent (5%) of the budgeted gross expenses of the DVCA for that fiscal year;

- (c) paying compensation to Directors for services performed in the conduct of the DVCA's business, however the Board may reimburse an owner or Director for expenses incurred in carrying on the business of the DVCA;
- (d) borrowing money for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds five per cent (5%) of the budgeted gross expenses of the DVCA for that fiscal year.
- (e) entering into a contract with a third person wherein the third person will furnish goods or services for the Association for longer than one (1) year with the exception of: (1) contract with a public utility company if rates are regulated by Public Utilities Commission and the contract(s) is for the shortest term the supplier can provide, or (2) prepaid casualty and/or liability insurance policies not to exceed three (3) years duration.

5.16. Management Agreement. The Board may employ for the DVCA a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board shall authorize. The Board may delegate to the managing agent or manager, subject to the Board's supervision, all the powers granted to the Board by these Bylaws, other than the powers set forth in subparagraphs c, e, h, i, j, k, m, and p of Section 5.14 above. No management contract may have a term in excess of three (3) years.

## **ARTICLE VI**

### **Officers**

6.1. Designation of Officers. The officers of this DVCA shall be a President, a Vice President, a Secretary, and a Treasurer. Each officer shall be a member of the Board and an Owner of a Lot or the individual nominee of an Owner of a Lot which is other than an individual. A person may hold one or more of such offices at one time, except that the President shall not at the same time hold another office in the DVCA. The Board may appoint an assistant treasurer, an assistant secretary and such other positions as in its judgment may be necessary.

6.2. Election of Officers. Officers of the DVCA shall be elected by the Board at its first organizational meeting following the annual meeting. Officers shall hold office at the pleasure of the Board.

6.3. Term. Each officer shall serve until a successor has been duly elected.

6.4. Removal. Any officer may be removed, with or without cause, and without notice, by the Board.

6.5. Vacancy. Any vacancy in any office shall be filled by the Board, and an officer elected to fill a vacancy shall serve for the unexpired term of the predecessor in office.

6.6. Resignation. An 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 the receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.7. Powers and Duties of Officers.

(a) President. The President shall be the chief Executive officer of the DVCA and shall preside at all meetings of the Association and the Board. The President shall have all the general powers and duties that are usually vested in such office.

(b) Vice President. The Vice-President shall perform such duties of the President as shall be assigned by the President, and in the absence of the President shall perform the duties and functions of the President.

(c) Secretary. The Secretary shall keep the minutes of all meetings and actions of the Board and of the DVCA; shall give all required notices to the Directors and members; shall keep the records of the DVCA, except those kept by the Treasurer; shall perform all other duties incident to the office of a Secretary of a corporation; and shall perform such other duties required by the Board or the President.

(d) Treasurer. The Treasurer shall have custody of all intangible property of the DVCA, including funds, securities, and evidences of indebtedness; shall keep the books of the DVCA in accordance with good accounting practices and principles, and upon request, shall submit them, together with all vouchers, receipts, records, and other papers to the Board for examination and approval; shall deposit all monies and other valuable effects in depositories designated by the Board; shall disburse funds of the DVCA as directed by the Board; and shall perform all other duties incident to the office of a Treasurer of a corporation.

6.8. Execution of Agreements, Etc. All agreements, deeds, mortgages, or other instruments shall be executed by the President or Vice President with an attest by the Secretary (or Assistant Secretary if appointed), or by such other person or persons as may be designated by the Board. In no event shall only one signatory sign any such document.

6.9. Compensation of Officers Restricted. No officer shall be compensated for services in such capacity, but may be reimbursed for out-of-pocket expenses incurred in performing duties.

## ARTICLE VII

### **Indemnification of Directors, Officers and Committee Members**

DVCA shall indemnify such persons, for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as permitted by the North Carolina General Statutes, as now enacted or hereafter amended. In addition, DVCA is authorized to maintain Officers and Directors Liability Insurance.

## ARTICLE VIII

### **Fiscal Management**

8.1. Depository. The Board shall designate one or more depositories for the funds of DVCA, and may change such depositories at any time. Withdrawal of funds from such depositories shall be only by checks signed by any two (2) officers of DVCA, or as authorized by the Board.

8.2. Fiscal Year. The Fiscal Year of the DVCA shall be a calendar year, provided that the Board, from time to time, by resolution, may change the Fiscal Year to some other designated period.

## ARTICLE IX

### **Budgets & Assessments**

9.1. Obligation of Members to Pay Assessments. Each Owner of a Lot shall be personally and severally liable for annual assessments as set forth in the Declaration.

9.2. Allocation of Common Surplus. Any common surplus, including surplus funds in reserve accounts, may be applied by the Board to any current Fiscal Year expenditures in order to satisfy the exempt function income qualification for nonprofit corporations under Section 528 of the Internal Revenue Code.

9.3. Preparation of Budget and Levying of Assessment. For each Fiscal Year, the Board shall prepare and adopt a budget, including therein estimates of the amount necessary to pay the Common Expenses, together with amounts considered necessary by the Board for reserves. Within 30 days after adoption of any proposed budget, the Board shall provide the members of DVCA with a summary of the budget and a notice of the meeting to consider ratification of the budget by the membership. The budget shall be ratified unless at that meeting a majority of all the members of DVCA entitled to vote rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the members shall be continued until such time as the members ratify a subsequent budget proposed by the Board. After the ratification of the budget by the membership as provided above, the Board shall give each member notice of the assessment made against that member's Lot based upon such budget and may also state the interest to be charged [eighteen percent (18%)] on delinquent payments thereof. The assessment shall be deemed levied upon the giving of such notice.

9.4. Special Assessments. In addition to the annual assessments, the Board may levy special assessments at such additional times as in its judgment are required for:

- (a) Alterations, restoration and reconstruction of Common Elements and its facilities.
- (b) Improvements, acquisitions and additions to the Common Elements.
- (c) Any other just cause as determined by the Board.

The Board shall provide to DVCA members a summary of the proposed special assessment and notice of a special meeting to ratify the special assessment as specified in Section 4.3 of these Bylaws. The special assessment shall be deemed ratified unless at the meeting a majority of the votes cast by Qualified Voting Members in the Association present or represented by proxy at the meeting rejects the special assessment. Special assessments made pursuant to this Section shall be a Common Expense, shall be deemed levied upon notice thereof being given to the members subject to such special assessment, and shall be payable as determined by the Board and as set out in such notice

9.5. Failure to Prepare Budget and Levy Annual Assessment; Deficiencies in Procedure. The failure of the Board or delay of the Board in preparing any budget, and to levy or in levying assessments, shall not constitute a waiver or release of the members' obligation to pay assessments whenever the same shall be determined and levied by the Board. Until a new assessment is levied by the Board, each member shall continue to pay the assessment then previously levied in the same amount and at the same periodic times as levied, or as the Board may otherwise advise in writing. Also, any deficiencies or inadequacies in the procedure followed by the Board in levying an assessment shall not in any way affect its validity or the obligation of members to pay such assessment.

9.6. Assessment Roll; Certificate. All assessments shall be set forth upon a roll of the Lots or Units which shall be available for inspection at all reasonable times by members, and their duly authorized representatives. Such roll shall include, for each Lot, the name and address

of the member or members, all assessments levied, and the amount of all assessments unpaid. DVCA, upon written request, shall furnish to a Lot Owner, or an authorized agent, a recordable certificate setting forth the amount of unpaid assessments currently levied against the Lot. The certificate shall be furnished within fourteen (14) business days after receipt of the request and shall be binding upon the DVCA and all Lot Owners. For such certificate a reasonable fee may be charged by the Board. All Owners of Lots acknowledge that such notice provided in an assessment roll or certificate shall not constitute a violation of any state or federal unfair debt collection laws.

**ARTICLE X**  
**Compliance, Enforcement, Fines and Penalties, Other**  
**Than Assessment Liens**

10.1. Default and Remedies. Failure by any Lot Owner or occupant to comply with any provisions of the Declaration, Bylaws and/or Rules and Regulations, as the same may be amended from time to time, shall be grounds for relief. The relief may include the same or such remedies as fines and penalties determined by the Board, sums for damages, injunctions or a combination thereof. The relief may be sought by the Association, an aggrieved resident or by any person or class of persons adversely affected. If any occupant or Lot Owner fails to perform any obligation under the Act, the Declaration, these Bylaws or the Rules and Regulations, the Association may perform the same for the Owner's account; it may enter that person's lot and make necessary repairs, advance sums to cure the default and may levy a special assessment against the Owner to cover the costs thereof. The Board shall be entitled to suspend the right of the Owner and/or occupant to use the Common Elements and its facilities until the default is cured. The process for notifying an owner of a violation and providing for an appeal to the Board shall be defined in the Rules and Regulations.

10.2. Remedy of Abatement in Addition to Other Remedies. In the event a member fails to effect the cure specified by the Board within the time period set out in the Rules and Regulations where the default is a structure, thing, or condition existing in or on the premises of the member's Lot, the Board, or its duly authorized representative, shall have the right to enter upon the premises of the member's Lot in which, on which, or as to which, such default exists, and summarily to abate and remove, at the defaulting member's expense (and levy an assessment therefore as provided above), the structure, thing, or condition constituting the default, and the Board, DVCA, and their agents, employees, and representatives shall not thereby be deemed guilty of any manner of trespass.

10.3. Injunction. Any person or class of persons entitled to seek relief for any such default or failure may obtain a temporary restraining order, injunction or similar relief, without first using the procedure established by Section 10.2 hereof, if such default or failure creates an emergency or a situation dangerous to persons or property.

10.4. Recovery of Attorneys' Fees and Costs. In any controversy arising because of an alleged default or violation by a member of the Declaration, Bylaws or Rules and Regulations, DVCA shall be entitled to recover their attorneys' fees as may be allowed by law (including N.C. Gen. Stat. 47F-3-120) and any costs with interest thereon at the highest rate allowed by law at the time the costs are incurred, from the dates such expenses are incurred until paid.

10.5. Non-waiver of Covenants. The failure of DVCA or of any member thereof to enforce any term, provision, right, covenant, or condition that may be granted by the Declaration,

these Bylaws, the Articles, the Rules and Regulations or the Act, as the same may from time to time be amended, shall not constitute a waiver or abrogation of the right of DVCA or a member to enforce such term, provision, right, covenant, or condition in the future, irrespective of the number of violations or breaches thereof that may have occurred.

## **ARTICLE XI** **Amendment**

These Bylaws may be amended by an affirmative vote of a majority of the Qualified Voting Members in the Association at a meeting duly called for such purpose as specified in Section 4.3 of the Bylaws, or at the Annual Meeting with notice as required in Section 4.4 of the Bylaws.

## **ARTICLE XII** **General Provisions**

12.1. Rules and Regulations. The Board may promulgate, amend, modify, or revoke from time to time such Rules and Regulations as it deems reasonable and necessary governing the administration, management, operation and use of the Common Elements so as to promote the common use and enjoyment thereof by Lot Owners and Occupants and for the protection and preservation thereof. In addition, the Board may adopt, amend, modify, or revoke from time to time such Rules and Regulations as it deems reasonable and necessary with respect to Lots to provide for the common good and enjoyment of all Lot Owners and Occupants, including, without limitation, the right to adopt, amend, modify, or revoke from time to time such Rules and Regulations with reference to tenants and leases. Any such rule or regulation adopted by the Board may also be amended, modified, or revoked by an affirmative vote of a majority of the Qualified Voting Members in the Association at a meeting duly called for such purpose as specified in Section 4.3 of the Bylaws, or at the Annual Meeting with notice as required in Section 4.4 of the Bylaws.

12.2. Uniform Application. All Rules and Regulations shall be equally and uniformly applicable to all Lot Owners and their Occupants, but need not be equally and uniformly applicable if it is determined that such unequal or non-uniform application is in the best interest of DVCA or if equal and uniform application is not practicable.

12.3. Copies Furnished. Copies of all such Rules and Regulations and any amendments thereto shall be furnished to all members, and a copy shall be posted or otherwise made available to members by the DVCA. However, failure to furnish, or post, or make available, such Rules or Regulations shall not affect in any way their validity or enforceability.

12.4. Applicability. The provisions of these Bylaws are applicable to all lots and the occupancy and use thereof. All owners, invitees, licensees, tenants, agents, their employees, or any other person who occupies or uses Deerlake Village or any part thereof in any manner, are subject to the provisions of these Bylaws and to the Rules and Regulations adopted, from time to time, pursuant hereto.

12.5. Conflict; Severability. In the case of any conflict between the provisions of these Bylaws and the Declaration, the Declaration shall control. If any term, provision, limitation, paragraph, or clause of these Bylaws, or the application thereof to any person or circumstance, is judicially held to be invalid, such determination shall not affect the enforceability, validity, or

effect of the remainder of these Bylaws, or the application thereof to any other person or circumstance.

12.6. Notices. Whenever in the Declaration, the Act or these Bylaws it shall be required or permitted that notice or demand be given or served on DVCA or a Lot Owner or any other person entitled to such notice, such notice or demand shall be given in writing, electronically or mailed, postage prepaid, to the addresses appearing of record with the Secretary of DVCA. Unless otherwise provided, all notices or demands provided under the terms of the Declaration, the Corporation Act, the Community Act or these Bylaws shall be effective when actually received by a party entitled to notice or when attempted to be delivered as authorized above.

**THESE BYLAWS** adopted and approved at a duly called meeting of the Members this the 25th day of October, 2006.