



By-Laws

SLWLA Board Approved

Revised: December 2020

Published by:

**SEVEN LAKES WEST
LANDOWNERS
ASSOCIATION, INC.**

The Seven Lakes West Landowners Association (SLWLA) Board of Directors (BOD) hereby publishes Revision Article X Section 5 Paragraph 5.3 (Dated and Approved August 25, 2020) and Article V Section 8 Paragraph 8.3 and 8.4 (Dated and Approved December 15, 2020), and herein after referred to as “By-Laws”.

By-Laws

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BY-LAWS of
SEVEN LAKES WEST LANDOWNERS ASSOCIATION, INC.
Version February 2020

ARTICLE I: NAME AND LOCATION

Section 1. Name. The name of the corporation is SEVEN LAKES WEST LANDOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association."

Section 2. Location. The principal office of the Association shall be located on 556 Longleaf Drive with a mailing address of 5314 Seven Lakes West, West End, Moore County, North Carolina, 27376, or such other place as shall be designated by the Board of Directors. The registered office of the Association may be, but need not be, identical with the principal office.

ARTICLE II: DEFINITIONS

Section 1. Definitions.

1.1 Association shall mean and refer to the Seven Lakes West Landowners Association, Inc., a North Carolina nonprofit corporation, its successors and assigns. For the purposes of these By-Laws, Seven Lakes West Landowners Association has replaced West Side Landowners Association, Inc. and Seven Lakes Landowners Association, Inc., and shall have all rights, duties, and obligations assigned to said Association by the Declaration of Restrictive Covenants ("Declarations," see below) and by its amendments and by the Declarations of additional subdivisions merged with or annexed to Seven Lakes West and their amendments.

1.2 Board shall mean the Board of Directors of the Association.

1.3 Common Facilities shall mean all real property together with all personal property used in connection therewith now or hereafter owned or leased by the Association for the common use and enjoyment of the Owners, including without limitation streets, roads, dams, lakes, community center complex, recreation areas (e.g. Johnson Point), parks, nature trails, tennis courts, basketball court, children's playground, arbor, gazebo, mail house, guard house, and swimming pool.

1.4 Declaration shall mean the Declaration of Restrictive Covenants filed in Deed Book 449, Page 662 of the Moore County, North Carolina Registry of Deeds and any amendments thereto, as well as the Declarations of additional subdivisions merged with or annexed to Seven Lakes West and their amendments.

1.5 Developer shall mean Seven Lakes West Landowners Association, Inc. (SLWLA) to the extent established as such in the written settlement agreement by and between the prior Developer including its predecessors and SLWLA (attached hereto and incorporated by reference herein) and any persons or entities succeeding to its respective rights and obligations under the Declaration. The prior Developer shall retain certain rights as determined in said settlement agreement but otherwise SLWLA shall not be governed in whole or in part by a third-party Developer.

1.6 Lot shall mean and refer to any numbered platted lot of land with delineated boundary lines appearing on any recorded subdivision map of Seven Lakes West (SLW).

1.7 Member shall mean and refer to every person who holds membership in the Association.

1.8 Owner shall mean and refer to the record owner (whether one or more persons) who owns a fee simple title to any Lot which is part of Seven Lakes West (or any future additions thereto) but excluding any owner who has an interest merely as security for the performance of an obligation. Developer is not an Owner except to the extent noted in said settlement agreement as stated above but said prior Developer shall not be entitled to vote.

1.9 Property or Properties shall refer to the property shown on the plats listed in the Declarations.

ARTICLE III: MEETING OF MEMBERS

Section 1. Annual Meetings. Each regular annual meeting of the Members shall be held on the third Sunday of March each year at the hour of 2:00 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. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, first-class postage prepaid, not less than 30 days nor more than 60 days before the date of 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. (It shall be the policy of the Board to send notice of the Annual Meeting and the proposed budget for the following fiscal year to the Members by the first day of February). 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. A waiver in writing of the notice required herein signed by a member shall be equivalent to the giving of such notice for said meeting.

Section 3. Special Meetings. Special meetings of the Members may be called at any time upon proper notice to the Members as noted in Section 2, above, by the President or by the Board of Directors, or upon written request of one-tenth (1/10) of all the votes of the membership.

Section 4. Place of Meetings. All meetings of the Members shall be held at such place, within Moore County, North Carolina, as shall be determined by the Board of Directors of the Association. In the absence of the designation of a specific place, the place shall be the West Side Park Community Center in the Great Room.

Section 5. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes appurtenant to the Lots shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented by 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 6. Membership and Voting Rights.

6.1 Each Owner of a Lot or Lots shall be a Member of the Association and shall be entitled to vote at all Association meetings except as noted below. The prior Developer is not a Member of the Association and shall not be entitled to vote. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

6.2 Each Lot shall entitle the owner(s) of said tract to one (1) vote in the Association. Owners who own more than one (1) Lot shall have one (1) vote for each lot owned on which all dues are current. Combined Lots shall only have one vote. When more than one person owns an interest (other than a leasehold or

security interest) in any Lot, all such persons shall be members and the voting rights appurtenant to said Lot shall be exercised as they among themselves determine, but in no event shall there be more than one vote with respect to any one Lot.

6.3 Membership is extended to all original and annexed sub-divisions within the boundaries of SLWLA.

6.4 The voting privileges of any Member, whose dues are in arrears in excess of sixty (60) days as determined by the Treasurer, shall be suspended.

Section 7. 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.

Section 8. Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him or her of the time and place thereof, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required and any business may be transacted at such meeting.

Section 9. Informal Action by Members. Any action, which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book or digital record keeping system.

ARTICLE IV: BOARD OF DIRECTORS

Section 1. Number. The Board of Directors shall consist of no fewer than five (5) and no more than seven (7) Directors. The number of Directors may be changed from time to time provided that no decrease in the number shall have the effect of shortening the term of any incumbent Director. The Directors' terms shall be staggered so that one-third, or as close as possible thereto based on the number of Directors, are elected annually. The term of each directorship shall be three years provided that, in the event of an increase in the number of Directors, the Board of Directors shall be empowered to create one or more terms of two years in order to promote staggered terms.

Section 2. Term of Office. Each Director shall serve until the Director resigns, dies or is removed. No Director shall serve more than two consecutive terms (three in the case where the initial term is by appointment for the unexpired term of an elected member who vacated his/her position) without an interval of one year of non-service on the Board of Directors. In the event of the death, resignation, retirement, removal or vacancy in any directorship resulting from failure by the members to elect the full authorized number of Directors, the vacant directorship shall be filled by the remaining members of the Board, provided a Quorum has been established. This Board-elected Director shall serve out the unexpired portion of the term of the directorship to which he or she was elected by the Board. The Members of the Association may elect a Director at any time to fill any vacancy not filled by the Directors.

Section 3. Nomination. Nominations for election to the Board of Directors shall be facilitated by a Recruiting Committee. Individual nominations also may be made by petition. Each petition for a candidate must be signed by 3% of members entitled to vote (Article III, Section 6) and presented to the Secretary of the Board of Directors at least sixty (60) days prior to the annual meeting date. If said petition is determined

to be valid by the Board, the name of the candidate on each petition shall be included on the ballot and proxy and sent to each member with notice of the annual meeting. The ballot will reflect the slate referred by the Recruiting Committee and approved by the Board and also designate those individual nominations made by petition.

Section 4. Recruiting Committee

4.1 The Recruiting Committee shall consist of a Chairman and two or more Members of the Association who are not Board members. The Recruiting Committee shall be approved by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. Directors have the ultimate decision for selecting Committee Members with Board approval.

4.2 Recruiting Committee Responsibility. The Recruiting Committee shall seek Community Members, in good standing, who are willing and able to explore the possibility of serving on any Board appointed Committee and/or on the Board of Directors. In order to best serve the community by supporting a smooth transition from year to year, the goal of the Recruiting Committee is to recruit new members to the various Committees. Any Community Member in good standing may submit his or her name for a position on a Committee.

4.2.1 The Recruiting Committee shall provide the names of candidates for the Board of Directors. The slate shall contain at least one candidate for each vacant position. Such nominations shall be made from Members in good standing and shall be submitted to the Board for approval at least ninety (90) days prior to the annual meeting, or by the December meeting, whichever is sooner. Candidates will meet with the Recruiting Committee to discuss the roles, responsibilities, and time commitment of being on the Board of Directors.

4.2.2 The Recruiting Committee shall educate Board candidates on the process of running for the Board and the time commitment involved, and assist each candidate in completing a candidate profile that will be made available to all Community Members in order to educate the Community Members on the candidate's qualifications to serve.

4.2.3 The Recruiting Committee shall, in the case of a Board member resignation, seek candidates to fill the vacancy by posting the vacancy for a minimum of two weeks on the Web page, Facebook, E-Blast, and Community TV monitor in the mail house. Board Candidates must be Members in good standing. All candidate information will be provided to the Board of Directors for their decision. Should no Candidates apply, the Recruiting Committee will recruit candidates by canvassing the Community for eligible Members. Once a selection is made, the new Board member(s) will be given a detailed explanation of the Board Orientation Manual.

Section 5. Election. Except as provided in Section 6 of this Article, Directors shall be elected at the annual meeting of the Members by secret written ballot. At such election, the Members 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.

Section 6. Removal. Any Director may be removed from the Board with or without cause by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining members of the Board, provided a Quorum has been established. This Board-elected Director shall serve out the unexpired term of the original vacated position. The Members of the Association may elect a Director at any time to fill any vacancy not filled by the Directors.

Section 7. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V: MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors may be held monthly without notice at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting may 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 may be held when called by the President of the Association, or by any two Directors, after not less than twenty-four hours' 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 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; provided, however, that, if the Directors, in their discretion, deem the matter to be one of significant interest to the Membership, (a) the Membership shall be afforded an opportunity to comment thereon at two duly held meetings of the Board prior to the final approval of the matter by the Directors and (b) the matter shall likewise require the approval of the Directors at two duly held meetings thereof; further provided, however, that the Directors shall be entitled to waive the requirements of subsections (a) and (b), above, in the event of a bona fide emergency (as determined by the affirmative vote of at least two-thirds of all incumbent Directors). Finally, except in the event of a bona fide emergency as aforesaid, if the Board deems a matter to be one of a significant interest to the Membership, the Board shall provide the Membership with a notice of the matter and an opportunity to be heard at two ensuing work sessions, as follows: by giving notice of the hearing at least ten (10) days before each respective work session on the community's official web site: (<http://www.sevenlakeswest.org>), by an E-blast sent to subscribing Members via email, and by prominent posting of the matter on the community's Mail House bulletin boards, along with a notice on the Mail House electronic monitors referring Members to read the matter which is posted on the Mail House bulletin boards.

Section 4. Informal Action by Directors. Emergency and/or minor day-to-day action taken by a majority of the Directors (via e-mail or by written consent or by conference call) without a meeting is nevertheless Board action. Such action shall be ratified by a majority of the Board during the next regularly scheduled meeting and included in the Minutes.

Section 5. Chairman. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors and serve until a new President is elected. A Chairman of the Board of Directors shall preside over all Board meetings until the President of the Association is elected by the Directors. Thereafter, the President shall serve as Chairman.

Section 6. Liability of the Board. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the members of the Board on behalf of the Association unless any such conduct and/or action or failure to act shall have been in bad faith or contrary to the provisions of the Declaration or these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Owner(s).

Section 7. Board Approved Solicitation. Official SLWLA Board Committees or representatives established by the Board that may wish to solicit support or obtain feedback from the Members via the mail house or by door-to-door solicitation, must have prior Board approval and follow written guidelines established by the Community Manager (see SLWLA Rules and Regulations, Chapter one, Section 1.9 for definition of “Community Manager”).

Section 8. Electronic Meetings. Regular and special Meetings may be held via Electronic communications methods, such as, but not limited to, video conferencing. All Board members, including the Community Manager, are entitled to participate in this manner. The following conditions must be met to participate:

8.1 The meeting must be conducted by a technology that allows all participating members to hear each other, at the same time. Provision may also be made for the use of additional collaborative technology to aid in the conduct of the meeting.

8.2 Electronic meetings utilizing written methods (such as postal mail, email, chat rooms or fax) are not acceptable. It lacks the deliberative process.

8.3 There must be a Quorum physically present at the designated meeting site or may be via an electronic method as long as members can see and hear the Board. The Secretary or, in his or her absence, an Officer of the Board shall determine if a quorum is present.

8.4 Board members wishing to participate via electronic means must provide their own communications method and appropriate program/software compatible the electronic method being used in the meeting room where the quorum is physically present. The physical meeting place must have its own communications method and program/software to accommodate the number of members who will be communicating electronically.

8.5 The Board president or designee is required to poll those remote attendees on every issue, in order to allow participation and voting as if they were present in the room. The member(s) who are communicating electronically must be able to be recognized and be able to obtain the floor.

8.6 When voting is necessary, in order to be counted each member must state “for” or “against” the issue on the table in order to be counted.

8.7 During Executive Sessions the Board must ensure that non-members are not present in meetings unless properly invited.

8.8 Board Committees may also conduct electronic meetings, following the same rules that apply to Board meetings.

ARTICLE VI: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

1.1 Adopt and publish rules and regulations governing the use of the Common Facilities, and the personal conduct of the Members and their guests thereon, and establishing penalties, to be imposed after reasonable notice of the charge(s) and/or violation(s) and an opportunity to be heard (by the Board of Directors or before an adjudicatory panel appointed thereby).

1.2 Present evidence for infraction thereof including, but not limited to,

1.2.1 The imposition of reasonable fines, which shall constitute assessments secured by liens, not to exceed the maximum amount permitted under applicable law for a violation or, not to exceed the

maximum amount permitted under applicable law for each day after the decision that a continuing violation exists and continues;

1.2.2 The suspension of privileges and/or services provided by the Association (except rights of access to lots) as established by the Board or adjudicatory panel until the violation or delinquency is cured.

1.3 Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association.

1.4 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.

1.5 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.

1.6 Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

1.7 Employ attorneys to represent the Association when deemed necessary.

1.8 Grant easements for the installation and maintenance of sewerage, utilities or drainage facilities upon, over, under and across the common facilities without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Properties.

1.9 Appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient.

1.10 Procure and maintain adequate liability insurance covering the Association, its Directors, Officers, agents and employees and to procure and maintain adequate hazard insurance on the real property and personal property owned by the Association.

1.11 Enforce the applicable declarations of covenants, as amended from time to time, and establish penalties, to be imposed after reasonable notice of the charge(s) and/or violation(s) and an opportunity to be heard (by the Board of Directors or before an adjudicatory panel appointed thereby – see Judicial Panel in Article X and in Chapter 8 on Enforcement in the Rules and Regulations) and to present evidence, for infraction thereof including, but not limited to, (a) the imposition of reasonable fines, which shall constitute assessments secured by liens, not to exceed the maximum amount permitted under applicable law for a violation or, not to exceed the maximum amount permitted under applicable law for each day after the decision that continuing violation exists and continues and (b) the suspension of privileges and/or services provided by the Association (except rights of access to lots) as established by the Board or said adjudicatory panel until the violation or delinquency is cured.

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

2.1 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 at any special meeting when such statement is requested in writing by the Members entitled to at least one-fourth (1/4) of the votes of the membership.

2.2 Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

2.3 As more fully provided in the Declaration, to:

2.3.1 Fix the amount of the annual assessment against each Lot as provided in the Declaration;

2.3.2 Send written notice of each assessment to every Owner subject thereto at least fifteen (15) days prior to the membership meeting;

2.3.3 File a lien against any property for which assessments are not paid within thirty (30) days after due date;

2.3.4 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 or equity against the Owner personally obligated to pay the same;

2.3.5 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 for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.).

2.3.6 Procure and maintain adequate liability insurance covering the Association and the Directors and Officers thereof and adequate hazard and liability insurance on the property owned by the Association and by the Owners as provided in the Declaration.

2.3.7 Cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

2.3.8. Cause the Common Facilities to be maintained;

2.3.9 Do any and all other things necessary to direct and carry out all activities of the Association as contained in the Declaration and By-Laws.

ARTICLE VII: OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The Officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer as well as such other Officers as the Board may create but all officers must be members of the Board.

Section 2. Election of Officers. The election of Officers shall take place, by secret ballot, at the organizational meeting of the Board of Directors.

Section 3. Term. Each officer of the Association shall be elected annually by the Board; and each shall hold office for one (1) year or until his or her death, resignation, expiration of term, removal from said Office by the Board, disqualification, or until his or her successor is elected and qualifies.

Section 4. Special Appointments. The Board may elect such other officers, pursuant to Section 1, 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 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 by appointment by the Board. 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. Compensation. No Officer shall receive any compensation from the Association for acting as such.

Section 9. Duties. The duties of the Officers are as follows:

9.1 President. The President shall be the principal executive officer of the Association and subject to the control of the Board, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments; and shall co-sign all promissory notes. The President shall prepare an agenda before each regularly scheduled meeting and furnish a copy of the same to other Board members at least three (3) days prior to the meeting.

9.2 Vice President. The Vice President shall act in the place and stead of the President in the event of his or her absence, inability, or refusal to act; and shall exercise and discharge such other duties as may be required of him or her by the Board.

9.3 Secretary. The Secretary shall record the votes and is responsible for recording 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.

9.4 Treasurer. 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 sign all promissory notes of the Association; keep proper books of the accounts; cause an annual audit or review of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Members for approval or rejection at its regular Annual Meeting, in accordance with the provisions of the N.C. Planned Community Act and the covenants. In the event a majority of those Members voting reject the proposed budget, the Treasurer and Directors shall immediately review the budget and proceed in accordance with the N.C. Planned Community Act and the Covenants.

Section 10. Check Signing Authority. The Officers of the Association shall be authorized to sign the Association's checks and to delegate said authority, as approved by the Association's Board of Directors. To implement these authorities, check signing shall follow the table below:

1. Amounts up to \$1,000.00 require a signature of either the Treasurer or the designee thereof as approved by the Board of Directors;
2. Amounts of \$1,000.01 - \$4,999.99 require a signature of either the President or the Treasurer;
3. Amounts of \$5,000.00 and over require the signatures of the President and the Treasurer.

In the event that either the President or the Treasurer is not reasonably available, the Vice President or the Secretary may sign in lieu thereof.

ARTICLE VIII: COMMITTEES

Section 1. Committee Creation. The Board of Directors shall establish standing and/or ad hoc Committees as deemed appropriate in carrying out its purposes. Ad Hoc Committees shall only have a term of one year unless sooner abolished by the Board or unless extended by the Board for up to an additional year.

Section 2. Long Range Planning Committee. The Board of Directors shall establish a permanent standing Long Range Planning Committee (LRPC). LRPC makes recommendations to the Board of Directors for research, analysis, estimates, options, and recommendations regarding current and future challenges, problems, programs, projects, and decisions facing the Board which improve or maintain property values and/or enhance the quality of life within the community by:

1. Examining amenities and services to determine their current and future viability;
2. Examining potential amenities and services to determine their cost and feasibility;
3. Working in conjunction with the appropriate Committee(s) to develop long range financial projections;
4. Developing strategies for maintaining the visibility/property values of the community relative to the regional real estate market;
5. Evaluating potential future land acquisitions for common use;
6. Evaluating potential, foreseeable, future problems, both internal and external to the community;
7. Working on other projects or strategies which may, from time to time, be required by the Board.

ARTICLE IX: BOOKS AND RECORDS

Section 1. Association 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. The Community Manager may charge a reasonable fee for any copies.

ARTICLE X: PROCEDURES GOVERNING JUDICIAL PANEL

Section 1. Purpose.

1.1 The purpose of the SLWLA Judicial Panel (hereinafter, "the Panel") is to contribute to the health, safety, and welfare of the residents and land owners of Seven Lakes West and all developments under the governance of SLWLA by providing a venue for resolution of alleged violations of restrictive covenants, rules and regulations, and certain motor vehicle rules, and further to prevent violations of the same.

1.2 In order to accomplish these purposes, the Panel is provided the powers and duties as stated herein, which may be amended as needed by the SLWLA Board of Directors, as well as all powers which are reasonable and necessary to accomplish the Panel's purposes.

Section 2. Constitution of the Judicial Panel and Community Advocate.

2.1 The Judicial Panel shall, in all respects, be a committee of the Board of Directors of the SLWLA, and shall operate under the authority and direction of the said Board. Nothing herein shall be construed to place any duty upon either the Board of Directors or the Judicial Panel to take any action whatsoever.

2.2 The Panel shall be composed of seven members, who shall be appointed by the SLWLA Board of Directors for a term of three years. The Members of the Panel shall elect a Chairperson and a Recording Secretary to serve for said three-year term. Panel members may be reappointed after their term has expired, at the election of the SLWLA Board of Directors. If any Panel member cannot fulfill his or her term, a replacement member may be appointed by the SLWLA Board of Directors for the remainder of that term.

2.3 Community Advocates are limited to a term of up to three years and are reconfirmed by the Board of Directors annually. Thereafter, they may be reappointed for one additional term. Community Advocates shall not serve more than two consecutive terms without a minimum of a one year break in service.

2.4 Community Advocates are appointed by the Board of Directors and report to the Chairman of the Legal Affairs Committee. While in this position, the Community Advocate shall not also serve on the Board of Directors or as a member of a committee such as ARC, Safety & Security, Legal Affairs, or the voluntary boat patrol, that may pose a conflict of interest.

2.5 No Panel member shall participate in any Panel proceeding in which said member, or a family member, has any interest. If a Panel member shall be determined to have a conflict of interest in any matter, then the remaining members of the Panel may hear the proceeding without that member; or the SLWLA Board of Directors, at its sole discretion, may appoint one or more special, temporary members to the Panel, limited to the single matter in which the conflict of interest is found to exist.

Section 3. Panel Meetings and Quorum.

3.1 The Panel shall meet every month at the time and place chosen by a majority of the members. The Recording Secretary or designee shall keep a record of the proceedings, including but not limited to the attendees, witnesses, evidence presented, and Panel votes.

3.2 The Panel shall hold special meetings as called by the Chairperson or any two panel members. Notice of special meetings shall be provided as agreed upon by all Panel members.

3.3 The Panel shall be fully empowered to act at any meeting where a quorum is present.

3.4 A quorum shall be deemed present if a majority of the Panel members are present at a duly called meeting. In any meeting where a complaint or accusation will be heard, or evidence taken, a quorum will consist of five (5) members of the Panel.

3.5 Once a quorum has been declared present for a meeting, the Panel shall be empowered to act according to the vote of the majority of those Committee members present at the meeting.

3.6 If a quorum is not present, the Panel members shall not be allowed to take any action.

Section 4. Authority and Duties of the Judicial Panel and Community Advocate.

The Community Advocate has the authority to negotiate a settlement of the violation or prosecute it before the Judicial Panel, but such settlements may not contravene SLWLA covenants nor the NC Planned Community Act.

Matters may be directed to the Panel by the Community Advocate in accordance with the procedures of Chapter 8 on Enforcement of the SLWLA Rules & Regulations. Matters may not be brought before the Panel by individual landowners or residents of Seven Lakes West. The Panel shall have the authority to:

4.1 Hear and take evidence of violations of the rules and regulations, and the applicable restrictive covenants.

4.2 Summon witnesses to appear before the Panel.

4.3 Summon those Members and/or those submitting to the jurisdiction of the Panel by requesting a permit to build in SLWLA via the Architectural Review Committee (ARC) that are accused of violations of the rules and regulations and/or the covenants.

4.4 Provide those accused of violations the opportunity to correct said violations.

4.5 Render a decision regarding the occurrence of violations as set forth in paragraph 4.1 (above) in all cases where the violations are disputed by the accused.

4.6 Impose a remedy for any violations found to exist, and to forward said findings and remedy to the accused.

4.7 Try matters brought before it in absentia, so long as the accused violators have received actual notice of the Panel hearing twenty (20) days before its commencement.

4.8 Take all actions authorized by the SLWLA Board of Directors and/or the N.C. Planned Community Act and to exercise all powers which are reasonable and necessary to carrying out the Panel's purposes.

Section 5. Covenant Enforcement Procedure.

5.1 Complaints regarding violations of the SLWLA governing documents may be made to the Community Manager by a written and signed document, or the Community Manager may personally initiate the action. Upon the receipt of a complaint or observation by any landowner communicated to the Community Manager, the complaint will be investigated by the Community Manager. The matter will be documented as to times, dates, and photographs if warranted.

5.2 The landowner shall be personally contacted by the Community Manager to discuss the problem. If personal contact cannot be accomplished, a letter will be sent to the landowner advising him/her of the complaint and the Community Manager's observations. The Community Manager will request that the matter be resolved and may give a reasonable time for such action to occur. The Community Manager will act in accordance with these By-Laws and Chapter 8 of the Rules and Regulations on Enforcement.

5.3 If the matter is not resolved in a timely manner as determined by the Community Manager, a first-class letter will be sent by the Community Manager, stating that the matter will be turned over to the Community Advocate pursuant to Chapter 8 Enforcement of the Rules and Regulations; and, to the extent the Community Advocate is not able to resolve the matter, it will be referred to the Judicial Panel for a hearing

on the matter, with notice of the date, time, and location of the Judicial Panel hearing, including an appropriate explanation of the judicial process.

Section 6. Panel Procedure.

In all disputed matters before the Panel, the following rules shall govern the proceedings:

6.1 Each party to the action or dispute shall be allowed to present evidence to the Panel relative to the offense for which said accused has been called before the Panel. Said evidence may be documentary, testimonial, physical, or any combination thereof.

6.2 Each party shall be allowed to address the Panel in whole (not individual Panel members) both prior to and following the presentation of evidence to the Panel.

6.3 Any party appearing before the Panel shall be allowed to, but is not required to, have an attorney or other representative present during the proceedings. Said representative shall be allowed to present evidence and argue the case before the Panel.

6.4 No person accused of a violation shall be required to testify.

6.5 The person accused of a violation shall be notified by telephone and postal mail at least twenty (20) days prior to the start of the proceeding. Absent notice to the Panel not less than three days prior to the scheduled proceeding, if the accused fails to appear in person or by representative, then the accused shall be deemed to have forfeited his or her opportunity to present evidence in support of his position. The decision to continue a proceeding shall be at the sole discretion of the Panel acting by majority vote.

6.6 The person or entity alleging the existence of a violation shall be required to present evidence of the same first.

6.7 Following the presentation of the accuser's evidence by the Community Advocate, the Panel shall either dismiss one or more complaints against one or more of the accused, or offer the accused the opportunity to present evidence in his defense. The accused shall not be required to present any evidence in his defense, and may at this point request the Panel to dismiss the matter.

6.8 Each party to the action shall be allowed to question the witnesses presented by the opposite side regarding any issue relevant to the action.

6.9 If the accused elects to present evidence, the accusing witness shall be given the opportunity to present rebuttal evidence.

6.10 At the conclusion of all evidence presented to the Panel, each party shall be given the opportunity to make a final argument before the Panel as a whole in support of his position.

Section 7. Decision of the Panel.

7.1 Following the final arguments of each party, if the same are presented, the Panel shall recess and vote to determine whether the alleged violation has been proven by a preponderance of the evidence. The decision of a majority of the Panel members voting at a meeting where a quorum has been declared present shall be the decision of the Panel.

7.2 The vote of the Panel shall be by written ballot of the Panel members then present and eligible to vote on the matter. No Panel member is eligible to vote on any matter if he was not present for the presentation of the matter to the Panel.

7.3 The Panel is not required to render an immediate decision, but is allowed to take such matters under advisement and, if necessary, to request additional hearings or additional evidence regarding the alleged violation or defense. The Panel shall render a written decision within fourteen (14) calendar days from the date the last evidence was presented.

Section 8. Remedies.

The Panel, after having found a violation has been proven by preponderance of the evidence to have been committed by the accused, shall impose a remedy. Recommended remedies may include one or more of the following as authorized by the governing documents of the SLWLA:

8.1 A fine of up to the maximum amount permitted under applicable law per violation, or the maximum amount permitted under applicable law per violation, which continues unabated in accordance with the N.C. Planned Community Act;

8.2 Suspension of any and/or all SLWLA privileges except the right of access to lot(s) owned, for a period not to exceed one year.

Section 9. Appeal to the SLWLA Board of Directors.

9.1 If the accused so decides, he or she may appeal the finding and ruling of the Judicial Panel to the SLWLA Board of Directors, which will review the recommendation of the Judicial Panel as to the finding of a violation, the guilt of the accused, and the recommended remedy.

9.2 By a vote of two-thirds (2/3) of the Board of Directors, a decision will be rendered within thirty (30) days of receipt of the Panel's findings. Said decision shall confirm the Panel's findings and remedy, at which time the Board will provide notification of its decision to the accused.

9.3 The Board may also decline to accept the Panel's findings and recommendations; at which time it will notify the accused that the ruling has been revised or the matter dismissed.

Section 10. Enforcement of Remedy.

The SLWLA Board of Directors shall have the right to seek enforcement of any decision or remedy imposed by the Panel in any court of competent jurisdiction within the County of Moore, State of North Carolina. In addition, any monetary remedy assessed or incurred may be enforced by the Board of Directors by placing a lien on the property of the violator, and if not paid within thirty (30) days, interest on said amounts may be charged at the maximum legal rate, and shall be collectible by foreclosure of the lien, along with all costs of collection, including a reasonable attorney's fee.

Section 11. Panel not Exclusive Remedy.

Nothing herein shall be construed to prohibit the SLWLA, its officers, employees, or agents, from seeking redress from a court of competent jurisdiction without first having submitted the matter to the Judicial Panel. The decision to seek redress within the framework of the Judicial Panel established herein or to pursue any matter in a court of competent jurisdiction shall lie solely in the discretion of the Community Manager, the Community Advocate, the Legal Affairs Director, and the SLWLA Board of Directors acting as a team.

Section 12. Indemnification of Panel Members.

The SLWLA shall indemnify and hold harmless the Community Advocate and all Panel members, of the Judicial Panel for any and all acts taken within the apparent scope of their authority as members of the Judicial Panel. The indemnity and agreement to hold harmless shall apply to actions brought by any person, firm, or entity whatsoever as a result of any Panel member's actions as a member of the Judicial Panel.

ARTICLE XI: ASSESSMENTS

Section 1. Assessments. Each Member of the Association is obligated to pay to the Association annual and special assessments as provided for in the Declaration or other recorded agreement. Assessments shall be secured by a continuing lien upon the property against which the assessment is made. The Association shall have the right to secure a continuing lien upon the property against delinquent Members as provided in the Declaration.

Section 2. Payment of Annual Assessments. Annual assessments (also referred to as “annual dues”) must be paid in full at the commencement of each new fiscal year, using only the payment methodology approved by the Board.

Section 3. Payment Options. The Association, through action of its Board of Directors, may offer the option of monthly payment of dues as an accommodation to the Membership. Such monthly dues payments shall be made only in accordance with the payment methodology approved by the Board.

ARTICLE XII: CORPORATE SEAL

Section 1. The Association shall have a corporate seal in circular form having within its circumference the words: Seven Lakes West Landowners Association, Inc. and such seal shall be used in accordance with North Carolina law.

ARTICLE XIII: AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Directors, by a vote of two-thirds (2/3) of all Directors in person or by proxy. Proposed amendments to the By-Laws of the Seven Lakes West Landowners Association or to the Rules and Regulations of the Association must be approved by the Directors in two separate work sessions.

Section 2. Rules may be passed by a majority of the Board present assuming a quorum has been established. There shall be sufficient time between the work sessions to publish the proposed change(s) via the community's official web site: <http://www.sevenlakeswest.org>, E-blast posting, or posting in the mailroom 30 days prior to a regularly scheduled general session of the SLWLA at which Members shall be given an opportunity for Member comment. The proposed amendment and/or rule may be passed, or modified and passed, at the ensuing work session of the Board.

Section 3. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV: MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of May and end on the 30th day of April of every year.

ARTICLE XV: INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

Section 1. The Association shall indemnify any Director or Officer or former Director or Officer of the Association or any person who may have served at the request of the Association as a Director or Officer of another Corporation, whether for profit or not for profit, against expenses (including attorney's fees) or liabilities actually and reasonably incurred by him or her in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he or she is made a party or was (or is threatened to be made) a party by reason of being or having been such Director or Officer, except in relation to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of duty.

Section 2. The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, By-Law agreement, vote or Members or disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 3. The Association may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability assessed against him or her and incurred by him or her in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him or her against such liability.

Section 4. The Association's indemnity of any person who is or was a Director, Officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his or her behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Section 5. Nothing contained in this Article XV, or elsewhere in these By-Laws, shall operate to indemnify any Director or Officer if such indemnification is for any reason contrary to any applicable state or federal law.

END OF SLWLA BY-LAWS DOCUMENT

Amendment/Change or Additions to SLWLA By-Laws

Section	Title	Date of Approval
Article IV Section 1	Board of Directors - Number	3/26/2019
Article IV Section 2	Board of Directors – Term of Office	3/25/2019
Article IV Section 4 Paragraph 4.1	Board of Directors – Recruiting Committee	6/25/2019
Article VIII Section 2	Committees – Long Range Planning Committee	6/25/2019
Article X Section 2 Paragraph 2.3 and 2.4	Procedures Governing Judicial Panel – Constitution of the Judicial Panel and Community Advocate	1/21/2020
Article X Section 4	Procedures Governing Judicial Panel – Authority and Duties of the Judicial Panel and Community Advocate	1/21/2020
Article X Section 5 Paragraph 5.3	Procedures Governing Judicial Panel – Covenant Enforcement Procedure	8/25/2020
Article V Section 8 Paragraph 8.3 and 8.4	Meeting of Directors – Electronic Meetings	12/15/2020

Approved

President, BOD Seven Lakes West

Date

Vice President, BOD Seven Lakes West

Date