

**HIDDEN LAKE PROPERTY OWNERS ASSOCIATION, INC.**  
**BYLAWS**  
**(As Amended November 10, 2021)**

**ARTICLE 1 – NAME AND SEAL**

Section 1 – Name

The name of the Association, unless and until changed by Charter amendment shall be: Hidden Lake Property Owners Association, Inc.

Section 2 – Seal

Except as the Corporation, from time to time, may be changed by law, it shall have a Corporation Seal as follows:

HIDDEN LAKE PROPERTY OWNERS  
ASSOCIATION, INC.  
1982  
NORTH CAROLINA

**ARTICLE 2 – PURPOSE, AMENDMENT AND DEFINITIONS**

Section 1 Purpose

The purpose of the Corporation, hereinafter called “the Association,” shall be to own, develop, maintain and operate on a non-profit basis, the common properties. Such common property is shown on maps recorded in map book 14, page 1, and map book 14, page 12 of the Lee County registry and in the CCRRs as amended.

The Association shall also assure adherence to the Bylaws as amended and the CCRRs as amended, both of which documents were created to provide a desirable place in which to live and enjoy life.

Section 2 Amendment

The Bylaws shall only be amended by vote of the members at the Annual Meeting or a Special Meeting called for the purpose of considering changes to the Bylaws. A proposed amendment is approved if a majority of the members in attendance, in person and/or by proxy, vote in favor of the proposed amendment.

A proposed amendment to the Bylaws must be in writing and must specifically reference the Article and Section it proposes to amend.

An amendment to the Bylaws may be proposed by:

- 1) The Bylaws Committee with the approval of the Board.
- 2) The Board of Directors on its own motion.
- 3) A member of the POA by
  - a) Submitting the proposed amendment to the Board at least sixty (60) days in advance of the Annual Meeting or a Special Meeting called for the purpose of considering changes to the bylaws;
  - b) Submitting the proposed amendment at the Annual Meeting in which case it may be discussed but not voted on and shall be submitted by the Board at the next Annual Meeting or a Special Meeting called for the purpose of considering changes to the bylaws for a vote of the membership.

An amendment proposed by a member must be in writing and signed by the member and at least ten (10) other members.

The Board shall submit all properly proposed Bylaws amendments to the Annual Meeting or a Special Meeting called for the purpose of considering changes to the Bylaws for a vote of the membership.

The substance of all proposed Bylaws amendments shall be included with the notice of the Annual Meeting or a Special Meeting called for the purpose of considering changes to the bylaws.

A proposed amendment properly submitted to the Annual Meeting or a Special Meeting called for the purpose of considering changes to the Bylaws may be amended during the meeting and voted on at the same meeting.

### Section 3 – Definitions

The term “POA” means “The Hidden Lake Property Owners Association, Inc. which includes every owner of any lot in Hidden Lake”

The term “The Board” means the Hidden Lake Property Owners Association, Inc. Board of Directors.

The term “Regular Meeting” means any regularly scheduled monthly meeting of the POA Board.

The term “Special Meeting” means any meeting of the POA requested by the President, or by a majority of Members.

The term “Annual Meeting” means the meeting of the POA scheduled for November each year.

The term “CCRRs” means the Third Amended and Restated Statement of Covenants, Conditions, Reservations and Restrictions of the Hidden Lake Section of the Carolina

Trace Subdivision, effective July 24, 2018, recorded in Book 1502, pages 60-87 of the Lee County Public Registry.

The term “Director” means a member of the Hidden Lake Property Owner’s Association, Inc. Board of Directors.

The term “AC” means the Architectural Committee as described in Section 5(a) and 5(b) of the CCRRs.

The term “Member” means a member of the Hidden Lake Property Owner’s Association. Every owner whether a person or persons or an entity of any lot in Hidden Lake shall be a member of the Property Owner’s Association. When more than one person holds an interest in a lot, all such persons shall be members but they shall be entitled to only one vote for that lot which they shall exercise as they among themselves determine (with one person casting a whole vote or each person casting a partial vote), the result being one vote per lot on all voting matters.

The term “Resident Member” means a member of the POA who physically lives in Hidden Lake for six (6) months or more of a calendar year. Time absent while serving in the United States Armed Forces shall not be included in this calculation if a spouse physically lives in Hidden Lake during the period of absence.

The term “Non Resident Member” means a member of the POA who physically lives in Hidden Lake for less than six (6) months of a calendar year. Time absent while serving in the United States Armed Forces shall not be included in this calculation if a spouse physically lives in Hidden Lake during the period of absence.

The term “For Cause” means any act committed during the period of the member’s service in any elected or appointed position which seriously impairs the member’s ability to serve in that elected or appointed position. Such acts include, but are not limited to, excessive absenteeism, fraud, habitual dishonesty and conviction of a crime.

The term “Committee member” means any person serving on one of the committees provided for in these Bylaws or on one of the committees established by the Board of Directors.

### **ARTICLE 3 –BOARD OF DIRECTORS**

#### **Section 1- Number and Qualifications of Directors**

The business and social affairs of the Association shall be directed and controlled by a Board of Directors (herein sometimes referred to as “the Board”). There shall be seven (7) Directors. Each Director must be a member in good standing.

To be eligible to serve as a Director, a person must have been a resident member of the POA for at least six (6) months at the time of his/her installation.

No members living in the same household can serve on the Board at the same time, nor may one member of a household serve on the Board at the same time as another member of the household serves on the AC. A member of the AC cannot serve as a Director. An AC member appointed or elected to serve as a Director must resign from the AC. If one member of a household serves on the Board or the AC another may serve on one of the Board's committees.

Members of the same household may serve at most two consecutive terms within a period of seven (7) years. The Board may waive this provision if it is necessary to do so to ensure that all positions are filled.

#### Section 2- Nomination Procedure

No later than the regular Board meeting in July, the President shall appoint, with the approval of the full Board, a Nominating Committee consisting of three (3) resident members in good standing. Current Directors and members of the AC are not eligible to serve on the Nominating Committee. If possible, at least one of the members appointed to the Nominating Committee should be a past Director.

The Nominating Committee shall identify members who are well qualified to serve as a Director and encourage them to become a candidate. The Nominating Committee shall provide notice to all prospective candidates as to the number of positions to be filled by the vote of the membership at the Annual Meeting and the qualifications for a member to be a Director.

The Nominating Committee will submit a list of candidates to the Board no later than the August meeting of the Board. The Board shall publish, at least 60 days prior to the Annual Meeting, the list of candidates submitted by the Nominating Committee.

The Board, after verifying the qualifications of the candidates submitted by the Nominating Committee, shall place the names of these candidates on the ballot for the Annual Meeting.

In addition, any member in good standing who is qualified to serve as a Director will, upon his/her written request (signed by at least ten (10) members), have his/her name placed on the ballot.

The names of all known candidates, along with a brief statement from each candidate, shall be included in the letter of notification for the Annual Meeting.

The above provisions shall not restrict the right of the members to nominate candidates from the floor during the Annual Meeting.

#### Section 3- Terms and Installation

For purposes of this section, a year is deemed to be from one December Board meeting to the next December Board meeting.

Directors shall be elected for a term of three (3) years. If for any reason a Director leaves the Board prior to the expiration of a term, the remainder of the term beyond the year in which the vacancy occurs is voided and a new three (3) year term is filled by the members at the next Annual Meeting.

Newly elected Directors shall assume their duties at the December Board meeting.

Any vacancy (including the position of a Director-elect) occurring after the Annual Meeting but prior to the December Board meeting shall be deemed to have occurred after the December Board meeting.

The Board shall fill, by appointment (in accordance with Section 9 of this Article), a vacant Director's position until a replacement Director is elected (as set out in Article 5) and seated.

A member appointed as a Director shall assume his/her duties immediately upon his/her appointment.

After serving an elected term a member may not serve as a Director again for one (1) year following the expiration of that term. The Board may waive this provision if it is necessary to do so to insure that all positions are filled.

Members of the same household may serve at most two (2) consecutive terms within a period of seven (7) years. The Board may waive this provision if it is necessary to do so to ensure that all positions are filled.

#### Section 4- Responsibilities

The Board shall exercise control over the affairs and operation of the Association as authorized by the Bylaws and the CCRRs.

The Board shall maintain a roster of members and assessments applicable thereto. This roster shall be kept current and shall be available to any member upon written request.

The Board shall use its best efforts to collect all assessments in a timely fashion.

The Board shall maintain a registry of all current policies, procedures and regulations of the Board and its committees and of the AC.

The Board shall follow, implement and enforce the Bylaws, CCRRs and the published policies, procedures and regulations of the Board and the AC.

### Section 5- Procedure for Enforcement and Corrective Actions

The Board shall develop, publish and implement a procedure for enforcement and corrective actions to address violations, by members and renters, of the CRRs, the Bylaws and the published policies, procedures and regulations of the Board and the AC.

This procedure must be one which requires the Board to make a good faith effort to resolve the violation without taking enforcement or corrective action.

The procedure shall also provide that the Board can take no enforcement or corrective action regarding an alleged violation without first making a determination by majority vote that there is satisfactory evidence of the alleged violation and providing the property owner or renter notice of the violation and a chance to be heard regarding the violation. If the violation remains unresolved after these steps, the Board may take enforcement or corrective action in accordance with the CRRs. Any enforcement or corrective action taken by the Board must be reasonable and in proportion to the nature and extent of the violation. The procedure shall also guarantee the right of the member or renter at any time prior to or after enforcement or corrective action is taken to appear before the Board to discuss the violation or the enforcement or corrective action.

The Board may not institute a lawsuit regarding enforcement or corrective action without first obtaining permission from a majority of the members in attendance at a special meeting of the POA. However, the Board may institute legal action for the limited purpose of obtaining a court order regarding the violation until the issue can be addressed by the POA.

### Section 6- Meetings

Roberts Rules of Order shall govern the conduct of all Board meetings.

Regular and special meetings of the Board shall be open to attendance by all members of the POA. However, the Board may close a meeting, or any portion of a meeting, for the limited purpose of discussing or taking action on a matter involving a member where the Board desires to keep the identity of the member confidential including, but not limited to, cases of delinquency in the payment of any assessment imposed pursuant to the CRRs. Action taken in such a closed session shall be summarized in the minutes of the meeting while keeping confidential the identity of the member involved.

The matters set out below may be addressed by the Board by electronic mail (“email”) rather than in an in person meeting. If a matter is addressed by email then Directors must respond by using “Reply All” and a vote is not final until all Directors have responded. If any Director objects to the Board addressing a matter by email, then the matter must be addressed in person at a regular or special Board meeting.

- 1) Voting on a matter discussed at a meeting if a) the Board decided to delay a vote in order to acquire more information (such as an additional bid) or b) to give Directors time to consider the matter further.

- 2) Re-voting on a matter if a mistake in information relied on for the vote is discovered or new or additional information comes to the attention of the Board before the meeting minutes are published. Upon objection by a Director to re-voting, the original vote stands but may be reconsidered at a future meeting.
- 3) The approval of a letter authorized by the Board during a meeting.
- 4) Approving an appointment to a committee when the Bylaws allow a Director to make the appointment with the approval of the Board.
- 5) Changing the date, time or location of a meeting. Reasonable notice of this change must be provided to the members.
- 6) Discussion and voting on a matter if a decision on the matter is needed prior to the next scheduled in person meeting. Upon objection by a Director to proceeding in this manner, the matter can't be dealt with by email but the President may call a special meeting of the Board to address the matter.

Any matter addressed by the Board by email must be included in the minutes of the next in person meeting.

Members of the POA may address the Board only when permitted or requested to do so by the Board. However, at regular intervals the Board shall provide an opportunity for members to appear before the Board to discuss issues and concerns of importance to them.

A majority of the Directors shall constitute a quorum at any meeting of the Board.

Minutes shall be kept of all Board meetings. They shall be prepared and maintained by the Secretary. Minutes of each meeting shall, after being approved by the Board, be distributed to the members in a timely fashion.

#### Section 7- Removal of a Director by the Board

A Director may be removed, for cause, by the Board.

A motion to remove a Director must be made at a regular Board meeting by a Director and seconded by two (2) additional Directors. The motion shall be in writing and shall name the Director to be removed and the specific reason for removal.

If a removal motion is made and seconded by two (2) Directors, then the President (or the Vice President if the President is the subject of the motion) shall immediately call a Special Board meeting to act on the motion. This Special Board meeting must be at least

fifteen (15) days, but no more than twenty (20) days, from the date of the removal motion.

The Board shall provide written notice of the removal motion and the special Board meeting to the Director who is the subject of the motion if he/she is not present when the removal motion is made and seconded. The written notice shall state the specific basis for the proposed removal and the time, place and date of the special Board meeting. The notice shall be sent to the Director by certified United States mail within three (3) days of the meeting at which the removal motion was made and seconded. If the Director cannot be located or refuses to accept such written notice, no further notice shall be required.

Notice of the removal motion and the time, place and date of the Special Board meeting shall be sent by the Board to the POA members within seven (7) days of the meeting at which the removal motion was made and seconded.

At the Special Board meeting, the Director who is the subject of the removal motion may call witnesses and present evidence to the Board, in person or in writing or both. The Board will call witnesses (which may include Directors) with knowledge of the circumstances which form the basis for the proposed removal. The Board may consider written statements other than those submitted by the Director who is the subject of the removal motion only when the individuals with knowledge of the events are unavailable due to death, disability, illness or extended absence from North Carolina.

At the end of the Special Board meeting, a vote shall be taken on the removal motion. At least two thirds (2/3) of the remaining Directors must vote in favor of the removal motion in order for the removal motion to pass.

If the removal motion fails the Director shall continue on the Board.

If the Director is removed, the President (or the Vice President if the President has been removed) shall declare the position vacant and the Board shall begin the replacement process as set forth in Section 9.

#### Section 8 Removal of a Director by the Members of the POA

A Director may be removed, for cause, by the members of the POA.

The members of the POA shall institute a removal action by requesting the Board to call a Special Meeting of the POA for that purpose. This request must be in writing and signed by a majority of the POA members. This request shall state the name of the Director(s) whose removal is sought as well as the specific basis for the removal. In the event the Board neglects or refuses to call a Special Meeting of the POA within three (3) days of having been requested to do so, in writing, by a majority of the POA members then the members making the written request may call a Special Meeting of the POA as set forth in Article 5, Section 2. In addition to the notice requirements contained in Article 5, Section 2, the notice shall state the name of the Director(s) whose removal is sought and the specific basis for the removal.



Written notice of the removal action shall be provided to the Director(s) whose removal is sought. The written notice shall state the specific basis for the proposed removal and the time, place and date of the Special Meeting of the POA. The notice shall be sent to the Director by certified United States mail at least thirty (30) days prior to the Special Meeting. If the Director cannot be located or refuses to accept such written notice, no further notice shall be required.

The Special Meeting of the POA shall in all respects be conducted in accordance with the provisions set out in Article 5.

At the Special Meeting of the POA, the Director(s) who is the subject of the removal request may call witnesses and present evidence to the members, in person or in writing or both. The Board or the members of the POA will call witnesses (which may include a Director) with knowledge of the circumstances which form the basis for the proposed removal. Written statements other than those submitted by the Director (s) who is the subject of the removal request shall be considered only when the individuals with knowledge of the events are unavailable due to death, disability, illness or extended absence from North Carolina.

Voting shall be done as in the same fashion as the election of Directors.

The counting of ballots shall be done in accordance with the provisions set out in Article 5.

At least two thirds (2/3) of the members in attendance, in person or by proxy, at the Special Meeting of the POA must vote in favor of the removal in order to remove a Director.

If the required numbers of members do not vote in favor of removal, the Director(s) remains on the Board.

If a Director is removed, the President (or the Vice President if the President has been removed) shall declare the position(s) vacant and the Board shall begin the replacement process as set forth in Section 9.

#### Section 9 Replacement of a Director

The Board has the power of appointment to temporarily fill vacancies in its membership however they are created.

Appointment to fill a vacancy on the Board shall be done in the following manner:

- 1) The appointment may be made at a regular Board meeting or a Special Board meeting called for that purpose. Either meeting must be at least twenty (20) days after the creation of the vacancy.

- 2) The Board, as soon as possible after the vacancy occurs, shall provide notice of the vacancy to the POA members. The notice shall state the length of the appointment and the time, place and date of the meeting at which the appointment will be made. In addition, the notice shall advise the members that they may nominate themselves or another member to fill the vacancy by submitting a brief written statement as to his/her qualifications for serving on the Board. The notice shall also state that all nominations must be received no later than five (5) days before the meeting at which the appointment will be made. Each Director shall be supplied with a copy of the statements, if any, received with the nominations.
- 3) The Board, in making the appointment, shall consider all nominations submitted by members. Directors may, at the meeting, nominate additional members.
- 4) The Board may, but is not required to do so, provide nominees with an opportunity to address the Board in person.
- 5) At the meeting, each Director shall be given the opportunity to second the nomination(s) of any nominee(s).
- 6) The Board shall vote on all nominees who receive a second. The nominee(s) who receives the least number of votes will be eliminated from consideration. This process will be repeated until one nominee is left. That nominee will be appointed to serve for the remainder of the year.

## **ARTICLE 4 – OFFICERS**

### **Section 1 Election**

At the Board meeting in December of each year, the first order of business following the installation of new Directors shall be the election of officers from within the Board and the appointment of a Representative (and alternate) to the Carolina Trace Association Board of Directors.

The Officers shall consist of a President, a Vice President, Secretary, and a Treasurer.

### **Section 2 – President**

The duties of the President are to preside at all meetings. He/she shall see that all By-Laws, Reservations, Restrictions and Rules of the Association are enforced. He/she shall appoint a member of the Board as Chairman of or liaison with each of the Committees, and other special Committees as needed.

The President shall serve as Chairman of the Annual Budget Establishment Committee. He/she, along with the Treasurer will be responsible to manage the finances of the Association, as established in the member-approved budget.

### Section 3 – Vice-President

In the absence of, or disability of, the President, the Vice President shall perform the duties of the President. If the office of the President should become vacant, the Vice President shall discharge the duties of the office until the vacancy shall have otherwise been filled by the Board.

He/she shall monitor Board actions in their normal course of business operations to assure compliance with the Bylaws.

He/she shall be responsible for updating the Bylaws. A Bylaws committee of POA members shall be formed by the Vice President and approved by the Board to review and recommend amended Bylaws.

### Section 4 – Secretary

The Secretary shall have custody of the Seal of the Association and affix it to such formal instruments as may require it.

All official writings, including letters issued on behalf of the Board, will be approved by the Board and signed by a Director.

He/she will distribute the minutes from meetings after they have been reviewed and approved by the Board.

He/she shall transcribe and record in the books of the Association the minutes of all meetings of the POA.

He/she shall keep copies of all correspondence to and from the Board.

He/she shall reserve a facility for the November Annual meeting.

### Section 5 – Treasurer

The Treasurer shall assure that all monies of the Association are received and deposited into such accounts or depositories as, from time to time, may be authorized by the Board.

He/she shall cause to be mailed to each property owner in the Association a notice of the assessment due date, and amount. Also, the Treasurer, with the assistance of other Board members shall take all steps necessary, including legal action if applicable, to collect past due monies plus interest and late payment charge

The Treasurer shall assure that adequate timely books of account are kept, which will be open for inspection by other Board members at reasonable times and places. The Treasurer shall make available his/her financial records for an audit at the request of the Board. Audits shall be conducted by an independent Audit Committee, consisting of at least 3 members, appointed by the President and approved by the Board. The Audit

Committee shall not include Directors serving during the year of the records being audited nor for the current year, should the two be different. A report shall be prepared and signed by the Audit Committee and submitted to the President, who will distribute a copy to each Director. A summary of the audit shall be communicated to the property owners. At least one audit shall be conducted each year prior to the Annual Meeting. In addition, an audit shall be conducted upon a change in Treasurer.

The Treasurer shall assure that timely financial reports are made to the Board as it may require. Also, he/she shall assure that a complete financial report is prepared for submission at an Annual Meeting.

The Treasurer is responsible for the maintenance of an accurate list of the names and addresses of the property owners and the status of their assessment payments.

As mentioned in the President's duties both he/she and the Treasurer are responsible for the management of the finances of the Association as established by the member-approved annual budget.

Because continuity in this position is desirable and beneficial, the Director elected as Treasurer should serve in the position for at least two consecutive years.

## **ARTICLE 5 – MEMBERSHIP MEETINGS**

### **Section 1-Place and Types of Meetings**

All Membership Meetings shall be held at a place designated by the Board of Directors. Membership Meetings consist of the Annual Meeting and Special Meetings.

### **Section 2-Annual Meetings**

The Annual Meeting of the Association shall be held in November of each year, the date and place being set by the Board.

A written notice of the date, time and place of this meeting shall be sent no more than sixty (60) and not less than thirty (30) days prior to the meeting to each member at the address appearing on the records of the POA. This notice shall include, in addition to the date, time and place of the meeting, a statement that the member is entitled to vote in person or by written proxy, an official Hidden Lake proxy form for members who wish to give their proxy to another member, the proposed agenda, a statement of known issues to be voted on at the meeting, a copy of the proposed budget and a statement (if one was submitted) from each person nominated for election as a Director.

If, for any reason, the Annual Meeting cannot be held in November, the meeting shall be held as soon as conveniently possible after November and in compliance with the above notice provisions.

A member may request, in writing, that a matter be placed on the meeting agenda for discussion and/or action. Such request shall be directed to the President and must be received no later than ten (10) days before the meeting. The Board, in its discretion, shall determine whether a properly submitted request is placed on the meeting agenda. This provision shall not restrict the right of members to raise matters at the meeting pursuant to the rules in effect at the meeting.

### Section 3-Special Meetings

Special Meetings of the POA may be called at any time by the President or the Board of Directors. Written notice of a Special Meeting shall be sent at least twenty (20) days before the meeting in the same fashion and with the same content as notice for the Annual Meeting as set forth in Section 2 of this Article.

It shall be the duty of the President to call a Special Meeting whenever requested to do so, in writing, by a majority of the members. If the President fails to call a Special Meeting after having been requested to do so, in writing, by a majority of the members, it shall be the duty of the Board of Directors to do so. If both the President and the Board of Directors refuse to call a Special Meeting within three days of having been requested to do so, in writing, by a majority of the members, then the members making the request may call a Special Meeting in the same manner as the President or the Board of Directors.

### Section 4-Quorum and Voting

A quorum of property owners shall be necessary to call all Membership Meetings to order. A quorum shall consist of the presence, in person or by proxy, of enough property owners so that 10 percent of the total number of votes of the membership can be cast by those property owners. Once the meeting is called to order, the meeting may continue even in the absence of a quorum.

A roster of all property owners shall be maintained for each meeting. Only those members in good standing at the time of the meeting shall be entitled to vote, in person or by proxy, or to cast a proxy vote. At least fifteen (15) days prior to the meeting, the Treasurer shall prepare an alphabetical list of the names and addresses of all members eligible to vote at the meeting. A copy of this list shall be provided to the Board of Directors and to any member upon request.

The principle of one vote per lot shall be observed at all Membership Meetings. When more than one person holds an ownership interest in a lot, all the owners are members but they are entitled to only one vote. The owners may exercise that vote as they determine among themselves, but in no instance will there be more than one vote per lot.

When a corporation, partnership or other entity owns property in Hidden Lake, it must submit to the Secretary, in writing, at least seven (7) days prior to any Membership Meeting, the name of the person or persons to whom it designates the right to cast its

votes at the meeting and the number of votes each person is entitled to cast. The designation must be notarized and signed by a person with authority to make the designation. Failure to make this designation will result in the corporation, partnership or other entity not being able to cast votes at the meeting. Notice of this provision shall be provided to each corporation, partnership or other entity owning property in Hidden Lake along with the notice of the meeting. The Board, in its discretion, shall have the power to waive this provision.

A member or designee who is entitled to cast a vote at a Membership Meeting may do so in person or by written proxy.

A member or designee who wishes to vote by proxy and who is entitled to cast more than one vote at a Membership Meeting may assign all the votes with one proxy form but must include on the proxy form the number of votes and the lot numbers applicable to the proxy form. A proxy for less than one vote is not valid unless the ownership interest is actually entitled to less than one vote for a lot.

A proxy shall only be valid if it is signed by the member or designee, notarized and on the form issued by the POA. In addition, the proxy must be received by the POA at least seven (7) days before the meeting at which the proxy will be used. The Board, in its discretion, shall have the power to waive this time period. If there is a challenge as to the validity of a proxy, the Board shall determine if the proxy is valid.

A proxy shall be valid until the day following the Annual Meeting of the Property Owners Association of the year in which it was executed, unless a different period of time is specifically set forth in the proxy. Provided, however, that a proxy may be revoked by the member or designee at any time prior to the beginning of a Membership Meeting by providing written notification to the Secretary.

No person may hold or vote proxies for more than more than four (4) lots at a Membership Meeting. For purposes of this provision, joint lot owners are considered one person.

#### Section 5-Conduct of Meetings

All Membership Meetings are to be presided over by the President.

In the absence of the President, the Vice President shall preside with all the powers of the President when acting as Presiding Officer of the meeting. In the absence of the Vice President, the Treasurer shall preside with all the powers of the President when acting as Presiding Officer of the meeting. In the absence of the Treasurer, the Secretary shall preside with all the powers of the President when acting as Presiding Officer of the meeting. In the absence of any officers, the members shall select a Presiding Officer.

The Board, or in the absence of the Board the members calling the meeting, shall prepare a set of rules to govern the conduct of business at each membership Meeting. These rules shall be announced at the beginning of a meeting.

Votes for Directors shall be by secret written ballot. All other votes may be taken by voice vote, show of hands or by secret written ballot at the discretion of the Presiding Officer.

The Presiding Officer may vote at all Membership Meetings. In voice votes or votes by show of hands, the Presiding Officer, if he/she chooses to vote, shall vote last and is required to vote in the event of a tie. In votes conducted by secret written ballot, the ballot of the Presiding Officer shall be counted in the same manner as other ballots.

In a vote for Directors, tie votes shall be decided by a vote of the Board of Directors at which vote each Director is entitled to one vote. In all other votes, a tie vote means the issue was defeated.

#### Section 6-Preparation, Distribution, Collection and Counting of Ballots

For each Membership Meeting, the President, with the approval of the Board, shall appoint an Election Committee, which shall consist of a Chairperson and four (4) other members in good standing which will supervise the distribution, collection and counting of ballots. This Committee shall be named no later than the September Board meeting for the Annual Meeting and 20 days prior to the meeting for Special Meetings.

The Board of Directors shall have the responsibility of preparing the ballot to be used at a Membership Meeting and shall provide it to the Election Committee no later than 5 days prior to the meeting.

The Election Committee shall be responsible for distributing and collecting ballots at a Membership Meeting.

The Election Committee shall announce, prior to the conclusion of a Membership Meeting, the time, place and date at which the ballots will be counted. Provided, however, that the ballots must be counted within three (3) business days of the Membership Meeting. The counting of ballots shall be open to any member who wishes to observe it.

The Election Committee shall provide the results of the count, in writing, to the President immediately upon the conclusion of the count. The President shall provide the results to all Directors as soon as possible after receiving the written results from the Election Committee.

The results of the voting shall be provided, in writing, to all Resident members and to all Nonresident Members who have electronic mail (email) addresses within seven (7) business days of a Membership Meeting and to all Nonresident members who do not

have email addresses, within 75 days of a Membership Meeting. The Board may extend this time in the event of extraordinary circumstances.

The Board shall insure that the ballots used at the Membership Meeting are preserved a) permanently if the ballot was used to cast a vote for an amendment of the CCRRs or the creation of new Covenants, Conditions, Reservations and Restrictions or b) for five (5) years if not so used.

#### Section 7-Protests

Any protest concerning actions and/or votes at a Membership Meeting shall be submitted to the Board, in writing, within two (2) business days of the meeting. Any protest concerning the counting of ballots or the results of an election for which ballots were cast shall be submitted to the Board, in writing, within two (2) business days of the announcement of the results to the members.

The Board shall have exclusive authority to rule on the validity of a protest and to determine a remedy if any is needed.

### **ARTICLE 6 – COMMITTEES**

#### Section 1 – Architectural Committee

The AC shall be selected and constituted as set out in the CCRRs.

The AC's responsibilities are as stated in the CCRRs.

The AC shall not act as to any requested variance without first notifying, and obtaining the approval of, the Board of Directors.

The AC shall keep records of all its proceedings and all its actions taken including, but not limited to, minutes of its meetings, copies of plans, bills, invoices, contracts and agreements, copies of its rules and regulations and copies of all letters sent or received.

All AC records shall be available for review by a Director on request.

#### Section 2 – Other Committees

The President shall appoint a member of the Board of Directors to serve as the Chairman of the following Committees:

ROADS AND COMMON PROPERTIES

RECREATIONAL PROPERTIES



## ACTIVITIES/SOCIAL

### SECURITY

Subsequently, after such consultations as deemed appropriate, each Committee Chairman may form a Committee of regular members to serve with him/her during the year. The Board shall be advised of all members who will constitute each Committee. No more than one additional Board member shall serve on any committee.

The Board shall have the power to create such additional committees as it deems appropriate.

The Board shall assign the scope of any Special Committee and shall appoint the members of the committee. Such a committee may be comprised of all Directors or all regular members or a mixture of Directors and regular members with no more than three (3) Directors and an equal or greater number of regular members. The Board shall set the term of a Special Committee but the term may not continue beyond the term of the Board. If a Special Committee continues for more than two (2) Board terms, it shall be deemed a Standing Committee with a Director appointed by the President as Chairman who shall form a committee as set out below.

Committees shall keep records of all their proceedings and all their actions taken, including, but not limited to, minutes of meetings, copies of bills, bids and invoices, copies of rules and regulations and copies of letters sent and received. All committee records shall be available for review by a Director upon request.

#### Section 3 – Beautification/Roads and Common Properties Committee

The Beautification Committee shall be responsible to carry out a planned, ongoing program of maintenance, improvements and additional landscaping of common properties in Hidden Lake. These activities are to be contained within the budgeted funds or by special funding with Board approval.

The common properties to be maintained by an outside landscape contractor, shall include (1) the entrance and main traffic islands areas (2) the pool and tennis court areas (3) the grassed areas running from the pool and around the pond to the marina (4) The marina area and (5) any other area, which in the Committee's judgment, is required to provide desirable safety, environmental and aesthetic conditions for residents. In the administration of this responsibility the Committee will be guided by a general policy that asks residents living adjacent to common property (e.g. lakefront, cul-de-sacs, pond, right of ways) to keep such common property free of minor undesirable growth and debris. Major brush or tree removal and correction of drainage problems on common property will be an Association responsibility when such conditions become objectionable or hazardous in the Committee's opinion.

Any major change to common property landscape by property owners requires Committee and Board approval and should conform to the Beautification guidelines. Maintenance of an owner's approved construction on common property (e.g., dock) is the owner's responsibility.

The Chairman is to work closely with the outside landscaping contractor to insure that all items of the maintenance contract are performed regularly and as specified.

The Committee shall strive to propose and institute improvements in the general appearance and environment of Hidden Lake.

A Sub-Committee shall be established to oversee the maintenance of all roads, common properties and right-of-ways (drainage ditches and culverts), including the periodic "Clean-up" campaign. They should recommend safety measures either by warning signs or structural changes.

Regarding the necessity for ice/snow removal from the subdivision streets, the Chairman (or, in his absence, his designate) shall have the authority, without Board approval; to authorize the removal of ice/snow from the subdivision's streets at any time he feels the safety or welfare of the sub-division to be in question.

#### Section 4 – Recreational Properties Committee

The Recreational Properties Committee shall be responsible for the maintenance of all the recreational properties in Hidden Lake, including the enforcement of rules and regulations regarding the use of such recreational properties.

These properties include:

- (1) Swimming pool and adjacent structures: bathhouse, picnic shelter, filter facility and all furnishings for poolside use.
- (2) Tennis courts: night lights, nets, and fencing.
- (3) Marina: docking, hardware, electrical outlets, etc.
- (4) Fishing pond: fishing pier, shoreline, fish, water control

These recreational properties will be handled by the Chairperson and designated regular members overseeing each facility.

It is recognized that the responsibilities of the Recreational Properties Committee are complex and demanding. In addition to the routine operation and maintenance of each facility there is the matter of monitoring and controlling the activities and behavioral conduct of property owners and/or guests while using these facilities.

Since unauthorized use of our pool, tennis courts, marina and fishing pond has occurred in the past and may increase as total Carolina Trace population increases, the Chairman of the Recreational Properties Committee and the Chairman of the Security Committee shall work closely to control these occurrences.

A lack of control or enforcement of the rules of use will lead to deterioration and loss of attractiveness of these recreational facilities.

Section 5 – Activities/Social Committee

The Activities Committee shall be responsible to organize special events and social activities, such as monthly golf outings, annual picnic, pool events, and tennis events. It is expected that the Chairman will enlist assistants from the residents as the need arises.

The Welcoming subcommittee shall distribute A WELCOMING PACKET of the CCRRs, the Bylaws, the Architectural Plans and Guidelines, and other helpful information to all new POA members and renters. In addition, the Welcoming subcommittee shall keep a running record of all incoming POA residents-parents and renter-parents and their children's names and ages and shall provide this information monthly to the Board.

There shall be a social event for orientation purposes for all new POA residents as needed. Preparation of such socials shall be the responsibility of the Chairperson and his/her committee. New POA residents will be notified of the date, time and place of such events.

A proposed agenda of annual and special events should be presented to the Board at the start of the fiscal year to set up dates and consider the possibility of expenditures.

Section 6 – Security Committee

The Hidden Lake Community Watch program shall be implemented and continuously actioned by the Security Committee. All POA residents are encouraged to be members and support this wholesome program for the good of all Hidden Lake residents. At least ONE annual meeting should be held for residents to familiarize them with the program.

This Committee shall from time to time, coordinate programs with the Lee County Sheriff's department.

Operating procedures for the Security Committee shall be approved by the Board.

**ARTICLE 7-MISCELLANEOUS**

Section 1 – Open Fires

Open fires shall be prohibited within Hidden Lake and Carolina Trace. Any open fires in Hidden Lake by a property owner or resident will result in special assessment against the responsible property owners who will also be responsible for all damages.

Section 2– Property Owned by Corporations and/or Businesses

A Corporation or Business owning property within Hidden Lake must submit, in writing, the name of the individual or individuals whom they have authorized to use their property to the Hidden Lake Board Secretary. This designation must be signed by an appropriate

officer of the Corporation or Business. The designated individual or individuals then become property owners for purposes of using Hidden Lake facilities.

#### **ARTICLE 8- INDEMNITY**

Each Director, Officer and Committee Member, now or hereafter in office, and his/her heirs, executors and administrators, shall be indemnified by the Hidden Lake Property Owners' Association, Inc. against all costs, expenses, amounts and liabilities incurred (including counsel fees reasonably incurred or imposed) in connection with, or resulting from, any action, suit, proceeding or claim (including, subject to the provisions hereof, any settlement of the action, suit, proceeding or claim) to which he/she may be made a party, or which may be asserted against him/her, or in which he/she may be or become involved, by reason of his/her acts or omissions, or alleged acts or omissions, as a Director, Officer or Committee Member. The indemnification provisions of this section apply whether or not the Director, Officer or Committee Member continues to hold that position at the time of incurring the costs, expenses, amounts or liabilities (including counsel fees reasonably incurred or imposed) and whether or not the act or omission on the part of the Director, Officer or Committee Member, which is asserted as the basis for the action, suit, proceeding or claim, occurred before or after the adoption of this section. Provided, that the indemnification provisions of this section shall not apply with respect to any matter as to which a Director, Officer or Committee Member shall be finally determined in an action, suit, proceeding or claim to have been individually responsible for willful negligence or misconduct in the performance of his/her duties as a Director, Officer or Committee Member. Provided further, the indemnification provisions of this section shall not apply with respect to any settlement of any action, suit, proceeding or claim when, in the considered judgment of the Board of Directors, the Director, Officer or Committee Member has personally gained from the transaction(s) involved. Provided further, the indemnification provisions of this section shall not apply with respect to acts or omissions of any Director, Officer or Committee Member for which he/she is found guilty of any crime whether as a result of a plea of guilty or of *nolo contendere* or by trial before a judge or a jury. This indemnification shall be in addition to, and not exclusive of, any and all rights which any Director, Officer or Committee Member may be entitled to under any Bylaw, agreement, or vote of Association members or otherwise.

#### **ARTICLE 9- CAROLINA TRACE ASSOCIATION REPRESENTATIVE**

The Board, in its discretion, at its December meeting each year, shall appoint a member in good standing to serve as the Hidden Lake representative to the Carolina Trace Association Board of Directors (hereinafter the "CTA Representative"). The Board shall also appoint a member in good standing to serve as alternate CTA Representative (hereinafter "alternate" or "the alternate").

Any member in good standing eligible to serve as a Director may serve as CTA Representative or alternate.

The Board shall solicit recommendations for the position of CTA Representative at the same time it provides notice of the Annual Meeting. The Board shall also receive recommendations for CTA Representative from the floor at the Annual Meeting. The Board, however, is not limited to the recommendations when exercising its discretion in appointing a CTA Representative and an alternate.

The term of the CTA Representative and the alternate is one year. The CTA Representative and/or the alternate may be reappointed for additional terms at the discretion of the Board. However, no member may serve as CTA Representative for more than three consecutive terms.

The Board has the authority to remove the CTA Representative, with or without cause. The Board also has the authority to replace the CTA Representative in the event of a vacancy in that position prior to the end of the appointed term.

In the event of the removal of the CTA Representative by the Board or in the event of a vacancy prior to the end of the appointed term, the Board shall first consider the alternate as a replacement. If the Board determines, in its discretion, that the alternate is not an appropriate replacement, it shall, after providing reasonable notice to the POA and providing a reasonable opportunity for recommendations from the POA, appoint another member in good standing to serve as CTA Representative for the remainder of the unexpired term. (This service shall not count toward the three consecutive term limit unless it is for six months or more.) The Board shall not be bound by recommendations from the POA in replacing the CTA Representative.

If the CTA Representative is not a Director, he/she (and the alternate in his/her place) shall serve as an ex-officio non-voting member of the Board.

The CTA Representative shall attend all regular and special meetings of the Carolina Trace Association Board of Directors (hereinafter "CTA Board") or insure that the alternate attends and report regularly to the POA concerning the meetings.

The CTA Representative shall maintain a notebook containing the minutes of CTA Board meetings, CTA financial reports, the CTA bylaws, the CTA Articles of Incorporation and other documents pertaining to the CTA.

The CTA Representative shall, to the best of his/her ability, obtain a consensus of the opinions of the majority of the members by discussion, telephone survey, meeting, etc., of all assessment increases proposed by the CTA Board before casting his/her vote regarding such assessment increases.

## **ARTICLE 10: MARINA DOCKING AGREEMENT**

Any Owner or Resident who desires to place a boat in the Hidden Lake Marina (“the Marina”) shall execute a Docking Agreement with the Property Owners Association.

The Docking Agreement shall provide rules and regulations specific to docking or storing boats and shall be followed by all boat owners who dock or store boats in the Marina. Rules and regulations applicable to all users of the Marina shall not be a part of the Docking Agreement. No fee or payment shall be required for docking or storing a boat provided a boat owner who executes a Docking Agreement complies with its terms.

The wording of the Docking Agreement shall be in the discretion of, and must be approved by, the Board of Directors (“the Board”). The wording of the Docking Agreement must be consistent with the provisions set out above.

A boat owner who has executed a Docking Agreement shall not be required to sign a new Docking Agreement solely because the Board changes the wording of the Docking Agreement as long as the boat covered by the Docking Agreement remains continuously in the Marina and the boat owner continuously complies with the terms of the Docking Agreement he/she executed.

The Docking Agreement as approved by the Board shall be attached to the Bylaws.