

**BYLAWS
OF
CHATUGE VILLAGE COMMUNITY ASSOCIATION, INC.**

Adopted April 23, 2024

ARTICLE I

NAME, MEMBERSHIP, AND APPLICABILITY

Section 1. Name. The name of the Association shall be Chatuge Village Community Association, Inc., a North Carolina non-profit corporation (hereinafter referred to as the Association). The principal corporate office shall be located within Clay County, North Carolina at such place as the Board designates for such purpose from time to time with the North Carolina Secretary of State.

Section 2. Purpose. The purpose of this corporation is to administer the Chatuge Village subdivision, establishing the means and methods of collecting the contributions to the common expenses, arranging for the management of Chatuge Village, enforcing the *Amended and Restated Covenants and Restrictions of Chatuge Village* (Hereinafter "Declaration") and these Bylaws, and performing all of the other acts that may be required to be performed by the Association by the Planned Community Act and the Declaration. The Association shall also amend and supplement the system of administration, the Declaration and these Bylaws as may be required from time to time and perform all other things or acts required or permitted to the Association under the Planned Community Act. Except as to those matters which either the Planned Community Act, the Declaration, these Bylaws or the North Carolina Nonprofit Corporation Act specifically require to be performed by the vote of the Association, the administration of the foregoing responsibilities shall be performed by the Board of Directors, as is more particularly set forth below.

Section 3. Membership. Membership in the Association is mandatory for all property owners in the development known as the Chatuge Village Subdivision (hereinafter "Chatuge Village"). A "property owner" means a person who owns a fee simple interest in a lot and/or unit in Chatuge Village Subdivision that is subject to the Covenants and Restrictions recorded in Deed Book 245, Page 69, but does not include a person having a leasehold interest or an interest solely as security for an obligation. The membership of each property owner shall terminate when he/she ceases to be a property owner. Upon the sale, transfer, or other disposition of his/her ownership in the property, his/her membership in the Association shall automatically be transferred to the new property owner succeeding to such ownership.

Section 4. Applicability. These Bylaws apply to, and are binding upon, all property owners in Chatuge Village, their lessees, grantees, heirs, executors, administrators, devisees,

successors, and assigns, and on all other persons occupying or using said property in any manner. The ownership, rental, or occupancy of any dwelling shall constitute acceptance and ratification of these Bylaws.

ARTICLE II

ASSOCIATION: MEETINGS, QUORUM, VOTING, AND PROXIES

Section 1. Place of Meetings. Meetings of the Association shall be held in Clay County, North Carolina, at such suitable place convenient to the members as may be designated by the Board of Directors. Alternatively, in the Board's sole discretion, meetings may be held online on a suitable electronic platform, either exclusively or in combination with a meeting at which members are present. In the case of a virtual meeting, the Association shall provide members with a reasonable opportunity to hear and participate in the meeting. The Notice for any meeting shall state whether the meeting is in person or to be held virtually and, in the case of the latter, whether matters may be voted upon before, during, or after the virtual meeting itself including, but not limited to, by means of a written ballot or electronic voting system. In the case of online meetings, the Association must make the current list of members available during the meeting itself.

Section 2. Annual Meetings. The Association shall hold an Annual Meeting between July 1st and August 30th of each calendar year at a time and place in Clay County deemed convenient by the Board of Directors.

Section 3. Special Meetings. Special meetings of the Association may be called by the President, a majority of the Board of Directors or lot owners collectively holding ten percent (10%) of the votes allocated in the Association, as reflected in a written Petition signed by the requisite owners and presented to the Secretary. Notice of a Special Meeting shall state the purpose(s) of the meeting

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of any meeting to each property owner not less than ten (10) nor more than (60) days in advance of any meeting. Alternatively, notice may be sent by electronic mail to a member who has designated in writing an email address for that purpose. An Owner may opt out of receiving electronic notice upon written request to the Secretary on a form designed by the Association for that purpose. The notice of any meeting shall state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove a director or officer. Any such notice shall provide information on how members may access the current list of members. The minimum notice period of ten (10) days may be waived in the case of emergency.

In the case of a Special Meeting, no business shall be transacted except as stated in the notice.

The notice of any meeting shall be deemed to have been mailed when deposited in the United States Mail, addressed to the property owner(s) at their address as it appears on the records of the Association, with postage thereon prepaid. Delivery by electronic mail shall be deemed to occur on the day the notice is sent.

The owner has the sole responsibility of keeping the Association informed of the owner's current address if different from the Lot owned. Otherwise, notice sent by the Association to the Lot (upon which a dwelling is constructed) is sufficient for any notice requirement hereunder. In the interest of cost-efficiency, members are encouraged to designate an email address for purposes of receiving notices and other communications from the Association.

Section 5. Waiver of Notice. Any member may waive notice of a meeting by written waiver executed before, at, or after the meeting, and such waiver shall be deemed the equivalent of proper notice. Any member attending a regular or special meeting shall be deemed to have waived notice of such meeting, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 6. Voting. The owner(s) of each assessable lot shall be entitled to one vote per lot; provided, however, for lots upon which multiple dwellings have been constructed, there shall be one vote per dwelling. If more than one owner is present at a meeting, only one vote may be cast for that lot. Owners of multiple lots shall be entitled to one vote for each assessable lot. If more than one of the owners of a lot is present at a meeting or returns a written ballot, the vote for that lot must be cast in accordance with unanimous agreement of the lot's owners. The unanimous agreement of the lot's owners will be presumed if any one of the lot's owners cast the votes pertaining to that lot without the immediate protest from the other owner(s) of the lot. In the absence of a unanimous vote cast among the owners of a lot, such vote will be entered as an abstention. Unless prohibited by law under specific circumstances, votes may only be cast by members in good standing. "Good standing" means a member whose assessments are not in arrears, or whose voting eligibility has not otherwise been suspended by the Board of Directors.

Where written ballots are used, they will provide for the Member's name, address and/or lot number, the date, space for indicating affirmative and negative votes as to the questions posed, and provision for assigning a proxy to act as the Member and provision for signing by the Member.

Section 7. Proxies. A member in good standing who is unable to attend an Association meeting may appoint another Association member in good standing to cast votes in his/her place. A proxy form, available for downloading from the Association's website, must be signed and dated by both the member and his/her designated appointee. The proxy itself may be general or directed but otherwise limited in duration to the meeting at which it is submitted. The completed proxy shall be delivered to the Secretary at the meeting at which the proxy shall be used. An otherwise validly-executed proxy that fails to specify an appointee shall be

deemed to appoint the President as the member's proxy. The secretary shall keep the executed proxies with the minutes. The delivery of the proxy itself may be effected by electronic mail provided the owner has previously designated an email address for purposes of receiving notices.

Section 8. Quorum. A quorum is present throughout any meeting of the Association if persons entitled to cast twenty-five percent (25%) of the total votes allocated in the Association are present in person or by proxy at the beginning of the meeting. If a quorum is not present, the Board of Directors shall be authorized to act on matters before the Association, except in those cases where the Bylaws require action by the membership of the Association. The meeting shall be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. The quorum required for the next meeting shall be one-half of the quorum requirement for the previous meeting that was adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted. Where written ballots have been solicited ahead of any meeting, properly executed ballots shall be counted for purposes of establishing a quorum with respect to each question upon which a vote is cast.

Section 9. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings, in whatever form, which minutes will include memorializing all resolutions adopted and transactions approved at the meeting. The conduct of all meetings of the Association shall be in accord with the most recent edition of *Robert's Rules of Order, Newly Revised*. In the President's absence, the presiding officer shall be, in the following order: Vice President, Treasurer, any other Board Member, or a member elected for the purpose by the members. In the event the Secretary is not present, the Presiding Officer may appoint an Acting Secretary for the meeting.

Section 10. Order of Business. The order of business at all annual meetings shall be as follows:

- A. Call to order, introductions, and establishment of a quorum.
- B. Reading and approval of the minutes of the preceding meeting.
- C. Reports of officers (including activity/financial reports)
- D. Presentation of the adopted budget
- E. Reports of Committees, if any.
- F. Election of Directors.
- G. Old Business.
- H. New Business.
- I. Adjournment.

Section 11. Action without a Meeting. Any action that may be taken at any annual, regular, or special meeting of members may be taken without a meeting by written ballots or electronic voting as follows:

A. Written ballots. The Association may deliver a written ballot to members entitled to vote on the matter that sets forth each proposed action and provides an opportunity to vote for or against each proposed action, and the date and time by which the ballot must be returned. Unless secret balloting is required on the proposed action, the ballot shall contain or request information sufficient to identify the member or the member's proxy submitting the ballot. Written ballots may be submitted to the Association by any reasonable means specified by the Association, including email. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at the meeting at which the same total of votes were cast. Whether a "quorum" has been established for each such vote by written ballot is determined at the deadline set for return of each such written ballot.

B. Electronic voting. For members who have agreed to conduct business by electronic means, the Association may provide an electronic ballot or electronic notice that sets forth each proposed action and provides an opportunity and instructions on how to vote for or against each proposed action using the electronic ballot or an electronic voting system.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Number/Qualification. The affairs of the Association are governed by a Board of Directors (hereinafter, the Board), composed of seven (7) persons, all of whom must at all times during their service as Directors be members of Chatuge Village in good standing. No co-owners or co-habitants may serve as Directors at the same time.

Section 2. Nominations. The Board shall call for nominations from the association to stand for election to the board or delegate such duty to a Nominations Committee. The Nominating Committee will consist of three (3) members in good standing and be tasked with the responsibility to select and obtain Board approval of nominees for election at the Annual Meeting. The Chairperson for the Committee will present the names at the time of the election. Complete ballots will be mailed to all Members in good standing thirty (30) days before the election. Potential candidates may also be nominated from the floor at the annual meeting or, when appropriate, a special meeting of the association.

Section 3. Election and Term of Office. All elections to the Board of Directors shall be made by secret ballot, in whatever form, at the annual meeting. Said ballots shall list the number of vacancies to be filled, and set forth the names of those candidates who have been nominated by the Nominating Committee for such vacancies and space for designating the names of write-in nominees. Directors shall serve for two-year terms, staggered so that four terms expire at the annual meeting in a given year while three terms expire at the annual meeting in the following year, and so on. Assuming that a quorum is present, election shall be by simple majority vote. No director shall serve more than two consecutive terms.

Cumulative voting shall not be allowed. Once elected, the Association shall publish the names and addresses of all board members within thirty (30) days of their election.

Section 4. Vacancies. A vacancy in the Board caused by any reason, excluding the removal of a Director by vote of the Association, shall be filled by a majority vote of the remaining Directors so long as a quorum is present at any meeting of the Board. If a quorum is not possible, the vacancy shall be filled by a vote of the membership. Each person so elected shall serve the unexpired portion of the vacated term.

Section 5. Removal of Directors. At any regular or special meeting of the membership called for the purpose, and at which meeting a quorum is present, a Director may be removed with or without cause by a simple majority of those voting, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting prior to the vote on removal.

Section 6. Resignation. A Director may resign at any time by giving written notice to the President of the Association. The acceptance of such resignation shall not be necessary to make it effective.

Section 7. Meetings. The first meeting of the Board following each annual meeting of the Association shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the Board, for the purpose of electing officers for the coming year.

Subsequent meetings will be called by the President, at least once every quarter. Should the President ascertain, by querying the Directors, that there is no business to be conducted, a quarterly meeting may be omitted.

Whether regular or special, in the sole discretion of the Board, Directors may participate in a meeting in person or by any means of communication by which all directors participating in the meeting may simultaneously hear and be heard by each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

At regular intervals, the executive board meeting shall provide lot owners an opportunity to attend a portion of an executive board meeting and to speak to the executive board about their issues or concerns.

Section 8. Quorum. At all Board meetings, a majority of the Directors shall constitute a quorum for the transaction of business. The acts of that majority shall be the acts of the Board. If a quorum is not present, the majority of those present may adjourn the meeting to another time. Any business which might have been transacted at the meeting as originally called may be transacted at any subsequent meeting at which a quorum is present, without further notice.

Section 9. Powers. The Board shall be responsible for the affairs of the Association and shall have all the powers and duties necessary to carry out that responsibility. As provided by law, the Board may act in all matters in which authority is not by the Declaration, Articles of Incorporation, or these Bylaws assigned exclusively to the membership of the Association.

In addition to the duties imposed by these Bylaws or by any resolution of the Association which may hereafter be adopted, the Board shall have the power to and be responsible for the following, by way of explanation, but not limitation:

- A. Serving as the Architectural Control Committee, reviewing and approving site and house plans, as provided in the Declaration.
- B. Adopting an annual budget for ratification by the membership.
- C. Levying and collecting annual assessments, and administering those funds through standard financial procedures.
- D. Providing for the operation, care, upkeep, and maintenance of all roads and rights of way.
- E. Designating, hiring, and dismissing the personnel necessary for the maintenance of all common property, providing where appropriate for their compensation, and for the purchase of equipment, supplies and material to be used by them in the performance of their duties.
- F. Making or contracting for the making of repairs, additions, and improvements to all roads and rights of way.
- G. Enforcing by legal means the provisions of the Declaration and these Bylaws, and bringing any proceedings which may be instituted on behalf of or against the Association.
- H. Procuring and maintaining insurance coverage(s) required or permitted pursuant to North Carolina law or the Association's governing documents for the benefit of the Association.
- I. Keeping books with detailed accounts of the Association's finances including, but not necessarily limited to, the Association's assets and liabilities, and the receipts and expenditures affecting the Association and its administration.
- J. Managing and maintaining the subdivision's water system.

The Board may delegate one or more of its powers and duties to a property manager, accountant, attorney or other agent, provided the Board continues to remain responsible for supervising those agents.

ARTICLE IV

OFFICERS

Section 1. Number, Names, and Limitations. The officers of the Association shall consist of a President, Vice President, Secretary, and Treasurer, all of whom constitute the Executive Committee of which the President is Chairperson. With the exception of President and Secretary, any two offices may be held by the same person.

Section 2. Election, Term of Office, and Vacancies. The officers shall be elected from the Board at its first meeting following each annual meeting (or not later than thirty (30) days). A vacancy in any office arising for any reason may be filled by the Board for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by a majority vote of the remaining members of the Board, whenever in their judgment the best interests of the Association will be served thereby.

Section 4. Duties. The officers shall have such powers and duties as generally pertain to their respective offices, including the following:

- a. The President shall be the chief executive officer of the Association and the Board, with general powers as such, including the power to appoint committees from among Association members and their spouses. The President shall prepare, execute and record amendments to the Declaration, prepare the Annual Budget, and be one of four authorized signatories on Association checks.
- b. The Vice President shall assume the duties of the President upon the request or absence of the President.
- c. The Secretary shall keep and maintain a list of current members, minutes of meetings, correspondence, other records of the Association, the corporate seal (if any), and shall perform such other duties as the Board may direct. The Secretary shall make the membership list available not later than two days following the sending of a meeting notice; alternatively, the membership list may be made available on a reasonably-accessible electronic network. The Secretary shall certify amendments to the Declaration.
- d. The Treasurer shall be one (1) of four (4) persons authorized to sign checks drawn on the Treasury of the Association. Additionally, the Treasurer shall:

1. Oversee and direct the bookkeeping duties to include receiving and depositing all monies due the Association;
2. Be responsible for the bookkeeping records of such funds;
3. Pay by check or electronic means all bills authorized by the Board, including but not limited to invoices, and in other cases, expenditures for which receipts are attached;
4. Ensure the bookkeeper prepares and presents to the Board of Directors a monthly Financial Statement;
5. Along with the Finance Committee, recommend to the Board any legal action that may be required for the collection of any delinquent fees;
6. Present a complete financial report at the Annual Meeting;
7. Obtain a limited or full audit of the books and records by a Certified Public Accountant when requested by the Board or members representing not less than fifteen percent (15%) of the votes allocated in the Association; and
8. Assist in the preparation of the annual budget and ensure throughout the fiscal year that transactions follow guidelines set forth in the budget.

The Board may require that the Treasurer and all other persons handling or responsible for Association funds be covered by fidelity bonds, at Association expense.

Section 5. Compensation. Other than reimbursement for reasonable expenses incurred in the performance of his or her duties, a Director or Officer may not generally be compensated for time spent in performance of his/her routine duties such as attending meetings, writing reports, meeting with contractors, attorneys, or residents, placing liens and so on.

Section 6. Indemnification. Each Director/officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him/her in connection with any proceedings to which he/she may be a party, or become involved, by reason of having been a Director or officer of the Association, whether or not a Director or officer at the time such expenses are incurred.

However, no indemnification shall be paid to a Director/officer who is adjudged guilty of willful malfeasance or malfeasance in the performance of his/her duties.

Notwithstanding the foregoing, in the event of a settlement of any such proceeding, the indemnification provided for herein shall apply only in the event that such settlement and

reimbursement is determined by the other members of the Board to be in the best interests of the Association.

ARTICLE V

COMMITTEES

The following standing committees shall be established among the directors:

Section 1. Budget and Finance. The Budget and Finance Committee is responsible for administrative support for the Treasurer and Association bookkeeper.

Section 2. Communications. The Communications Committee is responsible for maintaining the Membership Directory including, but not limited to, designated addresses and email addresses. The Committee shall also provide periodic newsletters and information to the membership as warranted.

Section 3. Utilities, Roads, Water Systems, Wells, Grounds, and Common Areas. Subject to Board direction, this Committee shall be responsible for monitoring and maintaining the Association's Electric power/water systems, roads and common area together with managing the contracts related thereto.

ARTICLE VI

FISCAL YEAR

The Fiscal Year of the Association shall be from July 1 to June 30 of the following year.

ARTICLE VII

ACCOUNTING BASIS

The Association's accounting shall be upon an accrual basis.

ARTICLE VIII

SURPLUS FUNDS

If the Regular Assessment collected in any given year is in excess of the actual Common Expenses for that year, the Board may, at its sole discretion (a) return each Owner's share of the surplus; (b) credit each Owner's share of the surplus to each Owner's payment as for the Regular Assessment for the following year; or (c) apply the surplus to the reserve.

ARTICLE IX

AMENDMENTS

These Bylaws may be amended only at a duly-constituted annual or special meeting of the Association, the notice of which states that consideration of such proposed amendment is one of the purposes of the meeting. Assuming the presence of a quorum, these Bylaws may be amended by the approval of the Board, and a two-thirds (2/3) majority of the votes cast at the meeting or a majority of the total votes allocated in the Association, whichever is less.

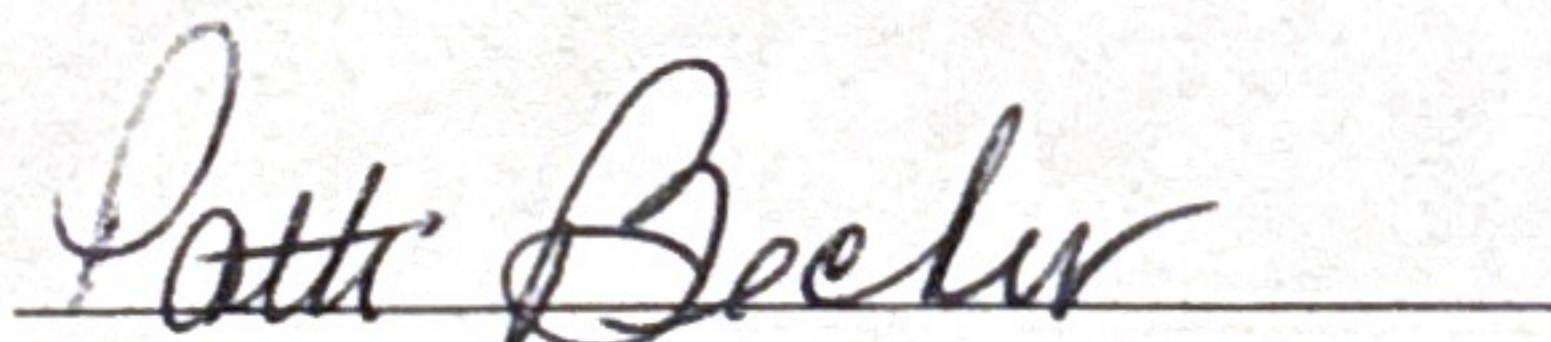
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly-appointed secretary of Chatuge Village Community Association, Inc., a North Carolina non-profit corporation, and,

That the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted on the 23rd day of April, 2024.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 24th day of April, 2024.



PATTI BECKER, Secretary