

**BYLAWS OF  
DEERWOOD PROPERTY OWNER'S ASSOCIATION, INC.  
OF CHEROKEE COUNTY, NC  
A Corporation Not For Profit**

**ARTICLE I. IDENTIFICATION**

1.01 **Identity:** These are the Bylaws of Deerwood Property Owner's Association, Inc., a corporation not for profit organized and existing under the laws of North Chapter 47F Carolina Planned Community Act, and qualifying as a non-profit organization under IRS Code 501 (c)(4) as a homeowner's association, hereinafter called "Association".

1.02 **Purpose:** The purposes of the Association are to provide for the management, maintenance and care of association property and for the management, maintenance and care of common elements of the Deerwood Mountain Estates and enforce the Declaration of Restrictions, conditions, easements, covenants, agreements, liens, and charges of Deerwood Mountain Estates.

The further purpose for which this non-profit corporation is formed and the business and object to be carried on and provided by it are as follows:

(1) The Association does not contemplate pecuniary gain or profit for the members thereof, and the specific purposes for which it is formed is to provide for maintenance, preservation and architectural control of the residential lots, and maintenance of the roads within the certain tract of property described as:

Deerwood Mountain Estates, located in Notla Township, Cherokee County, North Carolina and any additions thereto as may hereafter be brought within the jurisdiction of the Association, and promote the health, safety and welfare of the residents and property owners within the aforementioned property, and for this purpose:

- (a) To enforce and exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Restrictions and Covenants to Run with the Land, hereinafter called the "Declaration", applicable to the property and recorded in the office of the Register of Deeds, Cherokee County, North Carolina, and as the same may be amended from time to time as therein provided;
- (b) To exercise all rights and powers conferred by the laws of the State of North Carolina upon non-profit corporations.

(2.) No part of the net earnings of this corporation shall inure to the benefit of any incorporator or officer of the corporation, member, or any private individual (except that reasonable compensation need be paid for services rendered to or for the corporation affecting one or more of its purposes), and no incorporator or officer of the corporation, member, or any other private individual shall be entitled to share in the distribution of any of the corporate assets on disillusionment of the corporation. No substantial part of the activities of the corporation

shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publication or distribution of statement) any political campaign on behalf of any candidate for public office.

1.03 Office: The office of the Association shall be at 162 Trophy Buck Point, Murphy, NC 28906, until otherwise changed by the Officers.

1.04 Fiscal Year: The fiscal year of the Association shall be January through December.

1.05 Seal: The seal of the corporation shall bear the name of the corporation, the word "North Carolina" and the words "Corporation Not For Profit" and the year of incorporation.

## ARTICLE II: DEFINITIONS

2.01 "Association" or "Owner's Association" means the association organized as allowed under North Carolina law, including N.C.G.S. 47F-3-101.

2.02 "Common elements: means any real estate within a planned community owned or leased by the association, other than a lot.

2.03 "Common expenses" means expenditures made by or financial liabilities of the association, together with any allocations to reserves.

2.04 "Common expense liability means the liability for common expenses allocated to each lot as permitted by Chapter 47 of the North Carolina General Statutes.

2.05 "Declarant" means any person or group of persons acting in concert who (i) as part of a common promotional plan, offers to dispose of the person's or group's interest in a lot not previously disposed of, or (ii) reserves or succeeds to any declarant right.

2.06 "Declaration" means any instruments, however denominated, that create a planned community or any amendments to those instruments.

2.07 "Executive Board" means the body, regardless of name, designated in the declaration to act on behalf of the association.

2.08 "Lot" means a physical portion of the planned community designated for separate ownership or occupancy by a lot owner.

2.09 "Lot owner" means a declarant or other person who owns a lot in the planned community but does not include a person having an interest in a lot solely as a security for an obligation.

## ARTICLE III: MEMBERS

3.01 Qualification: The members of the Association shall consist of all of the record owners of lots in Deerwood Mountain Estates which are subject to the Covenants, in accordance with the Covenants. [The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenance to and may not be separated from ownership of any tract which is subject to the assessment by the Association.]

3.02 Change of Membership: Change of membership in the Association shall be established by the recording of the Public Records of Cherokee County, North Carolina, of a deed or other instrument establishing a change of record title to a lot in Deerwood Mountain Estates. A copy of such instrument shall be delivered to the Association. Upon recording, the owner established by such instrument of conveyance shall thereupon become a member of the Association and the membership of the prior owner shall thereupon be terminated.

3.03 Multiple Owners: When a lot is owned by more than one person, whether as co-tenants, joint tenants, tenants by the entirety or otherwise, each owner shall be a member of the Association by virtue of being a record owner of an interest in a lot. Lessees of lots shall not be members. All matters of voting shall, however, be determined on a lot basis, as provided in following Articles.

3.04 Restraint Upon Assignment of Membership, Shares and Assets: The membership of an owner and the share of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner, except as an appurtenance to his lot.

3.05 Evidence of Membership: There shall be no stock or membership certificates in the Association. Membership shall be determined by ownership as herein provided.

#### ARTICLE IV: VOTING

4.01 Voting Rights: The member or members who are the record owners of each lot in Deerwood Mountain Estates shall be collectively entitled to one (1) vote for each such lot, as provided in the Covenants and the Articles. If members own more than one lot, they shall be entitled to one vote for each lot owned. A lot vote may not be divided.

4.02 Voting Procedures: The single or multiple owners of each lot who are Regular Members shall have one vote for each lot. Decisions of the Association shall be made by a simple majority of votes entitled to be cast by members, unless a greater percentage is required by the Covenants, the Articles of Incorporation, or these Bylaws.

Lot Owners will receive ballots with the items that are to be voted on. These ballots will be mailed not less than thirty (30) or more than sixty (60) days prior to the meeting date that the items will be voted on. Returned ballots must be returned at least five (5) days prior to the meeting date.

4.03 Membership, Quorum, Voting. A quorum shall consist of ten percent (10%) of a majority of the owners of the lots. They will vote yea or nay to the proposal(s) and sign with the owners registered signature, except where approval by a greater number is required by the Articles of Declaration or By-Laws.

Annual/Special membership meetings: If the ballot is not returned by the owner, their vote will be recorded as not voted. All voting by the members will be by first class mail. The proposal(s) will be mailed not less than thirty (30) nor more than sixty (60) days prior to final counting of the ballots.

The annual Members meeting shall be held at such place as designed by the Officers at 1 pm local time during the month of July for the purpose of electing directors/officers and transacting any other business authorized to be transacted by the members: provided, however, if that date is a legal holiday, the meeting shall be held at the same hour on the next day that is not a holiday.

Special Members Meetings shall be held whenever called by the president or vice-president or by a majority of the Officers and must be called by such officers upon receipt of a written request of ten percent (10%) of the members.

Written Notice of all members meetings, including annual meetings, stating a time and place and the object for which the meeting is being held shall be given by the president, vice president or secretary unless waived in writing. Such notice shall be delivered by first class mail or by e-mail to each member at his permanent address or to his Lot address if the Lot owner so designates or his e-mail address. The notice is to be given not less than thirty (30) days nor more than sixty (60) days prior to the date of the meeting.

The Order of Business at Annual Members meetings and as far as practical at other member meetings shall be:

1. Introductions and sign-in of attending members.
2. Reading and approval of minutes from last annual meeting.
3. Reading of fiscal report for previous year.
4. Reporting of community projects for fiscal year.
5. Reporting of voting results for Officers, Budget, and other proposed issues.
6. Discussion of old business.
7. Discussion of new business.

Minutes of all meetings of the lot owners shall be kept in a businesslike manner and be available for inspection by owners and board members at the time of an election and any meeting.

4.04 Designation of Voting Representative: The right to cast the vote attributable to each lot shall be determined, established and limited pursuant to the provisions of this section.

- (a) Single Owner: If the lot is owned by one natural person, that person shall be entitled to cast the vote for the lot.
- (b) Multiple Owners: If a lot is owned by more than one person, either as co-tenants or joint tenants, the person entitled to cast the vote for the lot shall be designated by a certificate signed by all of the record owners and filed with the Secretary of the Association.
- (c) Life Estate with Remainder Interest: If a lot is owned by a life tenant, with others owning the remainder interest, the life tenant shall be entitled to cast the vote for the lot. If the life estate is owned by more than one person, the authority to vote shall be

determined as herein otherwise provided by voting by persons owning a lot in fee in the same manner as the life tenants own the life estate.

- (d) Corporations: If a lot is owned by a corporation, the officers or employees thereof entitled to cast the vote for the lot shall be designated by a certificate executed by an executive officer of the corporation and attested by the Secretary and filed with the Secretary of the Association.
- (e) If a lot is owned by a general or limited partnership, the general partner entitled to cast the vote for the lot shall be designated by certificate executed by all general partners and filed with the Secretary of the Association.
- (f) Trustees: If a lot is owned by a trustee, such trustee shall be entitled to cast the vote for the lot. Multiple trustees may designate a single trustee, or a beneficiary entitled to possession, and a single trustee may likewise designate such beneficiary as the person entitled to cast the vote for the lot by a certificate executed by all trustees and filed with the Secretary of the Association.
- (g) Compensation: The compensation of all officers and employees of the Association will be in the budget, which will not exceed 10% of the total budget, and approved by the members of the Association as stated in Section 6.02.
- (h) Estates and Guardianships: If a lot is subject to administration by a duly authorized and acting Personal Representative or Guardian of the property, then such person shall be entitled to cast the vote for such lot upon filing with the Secretary of the Association a current certified copy of his/her Letters of Administration or Guardianship.
- (i) Tenants by the Entirety: If a lot is owned by a husband and wife as tenants by the entirety, they may designate a voting member in the same manner as other multiple owners. If no certificate designating a voting member is on file with the Association, and if only one lot owner is present at a meeting, he or she may cast a vote for their lot without the concurrence of the other owner. If both spouses are present, they may join cast the vote for their lot. If they are unable to agree on the manner of casting such vote, they shall lose their right to vote on such matter, although the lot may still be counted for purposes of a quorum.
- (j) Leases: If a lot is leased, the owner-lessor shall be entitled to cast the vote for the lot, except that the owner may designate a lessee as the person entitled to cast the vote for the lot by a certificate executed by all owners and filed with the Secretary of the Association.
- (k) Certificate: Whenever a certificate designating a voting representative is permitted or required, such certificate shall, once filed, be valid until revoked. In the absence of a valid certificate, a lot shall not be counted in determining a quorum unless all owners required to execute such certificate are present, in person or by proxy, and such lot owners shall lose their vote on any particular matter unless they concur on the manner in which the vote of the lot is to be cast on that matter.

4.05 Approval or Disapproval of Matters: Whenever the decision of a lot owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if at an Association meeting, unless the joinder of record owners is specifically required by the Covenants or these Bylaws.

4.06 Proxies: Votes may be cast in person or by proxy. A proxy shall be in writing and signed by the designated voting representative, or the owner, if no voting representative has been designated. A proxy shall be valid only for the particular meeting designated in the proxy, and must be filed with the Secretary of the Association before the appointed time of the meeting or any adjournments thereof. A properly executed and delivered proxy may be revoked by a writing delivered to the Secretary prior to the appointed time of the meeting or any adjournments thereof, or by the attendance in person of the persons executing said proxy at any meeting or adjournment thereof. No one person may be designated to hold more than three (3) proxies. In no event shall a proxy be valid for a period longer than ninety days after the date of the first meeting for which it was given.

#### V: OFFICERS OF ASSOCIATION

The affairs of the Association shall be administered by a President, Vice-President, Secretary, and a Treasurer. Officers shall be elected at the Annual meeting by the record owners of lots in Deerwood Mountain Estates. Offices may be combined as provided in the Bylaws. Any recorded lot owner is eligible to hold office. Additionally, the spouse of a recorded lot owner may hold office with the permission of the of the recorded lot owner.

5.01 Insurance: Every officer of the Association shall be indemnified by the Association against all expense and liabilities, including legal fees, reasonably incurred by, or imposed upon him/her in connection with any proceeding or the settlement of any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been an officer of the Association, whether or not he/she is an officer at the time such expenses are incurred, except when the Officer is adjudged guilty of willful and wanton misfeasance or malfeasance in the performance of his/her duties; provided that in the event of a settlement, the indemnification shall apply only when the Officers approve such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Officer may be entitled. The Officers of the Association may purchase liability insurance to insure all officers or agents, past and present, against all expenses and liabilities as set forth above. The premiums for such insurance shall be paid by the members of the Association as part of the common expenses.

5.02 Term: the term of each Officer shall extend to the next annual meeting of the members and thereafter until his/her successor is duly elected and qualified, or until he/she is removed in the manner elsewhere provided.

#### 5.03 OFFICERS:

- (a) The executive officers of the Association shall be a president, a vice-president, a treasurer, and a secretary. Any person may hold two or more offices except that the president shall not be also the secretary, or the vice president. The number of Officers positions actually filled will be determined by the number of members who volunteer for these positions.

- (b) The president shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of president of an association, including but not limited to, the power to appoint committees from among the members of the Association from time to time, as he/she may in his/her discretion determine appropriate, to assist in the conduct of the affairs of the Association.
- (c) The vice-president shall, in the absence of or disability of the president, exercise the powers and perform the duties of the president. He/She shall also generally assist the president and exercise such other powers as shall be prescribed by the president.
- (d) The secretary shall keep the minutes of all proceedings of the officers and the members. He/She shall attend to the giving and serving of all notices to the members and other notices required by law. He/she shall keep the records of the Association, except those of the treasurer and shall perform all other duties incident to the office of the secretary of an association as may be required by the president.
- (e) The treasurer shall have the custody of all property of the Association, including funds, securities and evidences of indebtedness. He/She shall keep the books of the Association in accordance with good accounting practices; and shall perform all other duties incident to the office of the treasurer.

5.04. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Articles of Incorporation or these By-Laws.

#### ARTICLE VI: FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Covenants shall be supplemented by the following provisions:

6.01 Accounting: Receipts and expenditures of the Association shall be credited and charged to the Association accounts in accordance with generally accepted accounting principles consistently applied.

6.02 Budget Adoption: The officers shall adopt a budget ~~in and~~ for each calendar year which shall include the estimated funds required to defray the current expenses and funds for required reserves if deemed necessary by the officers. The budget may provide funds for specifically proposed and approved improvements. Within thirty (30) days after adoption of any proposed budget for the community, the officers will provide a summary of the budget to all of the lot owners for their approval. Unless a majority of the lot owners reject the budget, the budget is deemed ratified whether or not a quorum is present. In the event the proposed budget is rejected, the annual budget last ratified by the owners shall continue in effect until such time as the members ratify a subsequent budget proposed by the Officers.

The proposed budget will be mailed to lot owners not less than thirty (30) days or more than sixty (60) days prior to the meeting date for approval of the budget. A ballot will also be included with the proposed budget. The signed ballot with the approval or disapproval must be returned five (5) days prior to the meeting date that is set for the approval of the budget.

6.03 Operation: Once the budget has been ratified by the members, the Officers shall endeavor to operate the Association within the overall limits of the budget. The Officers shall have the authority to vary expenditures between line items, if in the opinion of the Officers the best interests of the Association would be served. Officers may act unilaterally in the case of a bona fide emergency or casualty.

6.04 Assessments: Regular annual assessments, as in accordance with the Covenants, against a lot owner for his/her share of the items of the budget shall be made in February of the year for which the assessment is made and is due within thirty calendar days. In the event the annual assessment proves to be insufficient the budget may be amended at any time by the Officers and a supplementary assessment levied, as in accordance with the Covenants. The supplementary assessment shall be due as provided by the Officers.

6.05 Depository: The depository of the Association shall be in such bank or banks as shall be designated from time to time by the Officers, and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by appropriate resolution of the Officers of the Association. Funds of the Association may be co-mingled or kept in separate accounts.

6.06 Annual Report: A report of the accounts of the Association shall be made annually by the Treasurer and a copy of the report shall be furnished to each member during the annual meeting.

6.07 Fidelity Bonds: Fidelity Bonds may be required by the Officers from all persons handling or responsible for the Association's funds. The amounts of such bonds shall be determined by the Officers. The premiums of such bonds, if required, shall be paid by the Association as a common expense.

6.08 Audit: A formal audit of accounts of the Association shall not be required. The account statements and receipts for expenses shall be available for any member to review at the Annual meeting or by request to the Treasurer.

## ARTICLE VII: AMENDMENT OF BYLAWS

These Bylaws may be amended by the members of the Association at any regular or special meeting duly called for that purpose by the affirmative vote of a majority of all votes



entitled to be cast. Notwithstanding the foregoing, no amendment shall be made that is in conflict with the Covenants or the Articles, except as provided in said Covenants or Articles.

Except in cases of amendments that may be executed by a declaration under the terms of the declaration or by certain lot owners under G.S. 47F-2-118(a) of the North Carolina Planned Community Act, the bylaws may be amended only by affirmative vote or written agreement signed by lot owners of lots to which a majority the votes in the Association are allocated, or any larger majority the bylaws specify or by the declarant if necessary for the exercise of any development right.

#### **ARTICLE VIII: MISCELLANEOUS**

9.01 The provisions of these Bylaws shall be construed together with the Covenants and the Articles of Incorporation. In the event of a conflict between the provisions hereof and the provisions of the Covenants or Articles, the provisions of the Covenants or Articles shall control. Unless otherwise specifically provided, terms used herein shall have the meanings set forth in the Covenants. The provisions hereof shall be liberally construed to grant to the Association sufficient practical authority to implement its obligations and authorities under the Covenants.

9.02 The first Bylaws of the corporation shall be accepted by the incorporators, and may be altered, amended or rescinded by a majority of the Association Members, except as otherwise may be provided by the Bylaws and the Covenants.

9.03 The term for which this corporation shall exist shall be perpetual and it shall be empowered to commence its business with the filing of these Articles of Incorporation.

#### **ARTICLE IX: REGISTERED AGENT**

The name and address of the Registered Agent and Resident Agent is MIKE TRAMONTANO, 162 Trophy Buck Point, Murphy, NC 28906 and by affixing his signature hereto, the said Articles of Organization of DEERWOOD PROPERTY OWNER'S ASSOCIATION, INC. does hereby accept said designation and appointment, and the office of the Association shall be said address.

The foregoing was adopted as the Bylaws of the Association at the Annual Members meeting on the 6th day of July, 2012.

DEERWOOD PROPERTY OWNER'S ASSOCIATION, INC.

By: \_\_\_\_\_

(Corporate Seal)

Attest: \_\_\_\_\_

STATE OF NORTH CAROLINA     )  
  )  
COUNTY OF CHEROKEE         )

On this the \_\_\_\_\_ day of \_\_\_\_\_, 2012, before me, the undersigned notary public, personally appeared \_\_\_\_\_, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In Witness Whereof, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public, North Carolina

My Commission Expires: \_\_\_\_\_