

# BYLAWS OF CHISHOLM CHASE ESTATES HOMEOWNERS' ASSOCIATION, INC.

**DRAFT**

## Article 1. Offices

- 1.1) Offices - The principal office of the Chisholm Chase Estates Homeowners' Association, Inc. (the "Association") shall be located at \_\_\_\_\_ Franklin, NC 28734. The registered agent shall be \_\_\_\_\_. The Association may have such other offices as the Board of Directors may from time to time designate.
- 1.2) Members and Meetings – The Association will have members, being the lot owners within the Chisholm Chase Estates subdivision. Each lot shall be entitled to one vote for purposes of elections provided for below.

## Article 2. Members

- 2.1) Annual meeting – The annual meeting for members of the Association shall be held at least annually, on the day and time set by the Association's Board of Directors, for the purposes of electing directors, and for the transaction of such other business as shall come before the meeting.
- 2.2) Special meetings – Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the directors, and ~~shall be called by the President at the request of 50% plus 1 of all the members.~~
- 2.3) Place of meetings – The annual meeting may be held at such place or places, within or without the State of North Carolina, as the Board of Directors may from time to time determine.
- 2.4) Notice of meetings – Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 60 days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the persons otherwise entitled to call the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the membership list of the Association.
- 2.5) Membership list; fixing of record date – The Secretary shall maintain a list of all members of the Association, the lot or lots owned by each member, and each member's local and permanent address. The list shall be kept at the Association's principal office, ~~and shall open to inspection by any member of the Association upon request during~~ reasonable hours. Such list shall not be changed for 10 days immediately preceding any meeting or vote of the membership, and the lots listed at that point each shall be entitled

to one vote each, to be cast by the owner of each lot. If no record date is set as described above, the date on which the notice of the meeting is mailed shall be the record date for such determination of eligibility to vote.

- 2.6) Quorum – At any meeting of the members, 50% plus 1 of all the votes entitled to be cast, whether represented in person or by proxy, shall constitute a quorum. If less than the said number of the shares is represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be presented or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.
- 2.7) Proxies – At all meetings of the members of the Association, a member may vote by proxy executed in writing by the member or by his or her duly authorized attorney in fact. Such proxy shall be filed with the Secretary at or before the time of the meeting.

### **Article 3. Board of Directors**

- 3.1) General Powers - The business, property and affairs of the Association shall be managed by a Board of Directors.
- 3.2) Number and Qualifications - The number of directors shall be three (3). The directors shall be selected from the Association's membership. The initial Board of Directors shall be selected at the Association's organizational meeting, with one director serving for a term of three (3) years, one for a term of two (2) years, and one for a term of one (1) year.
- 3.3) Term of Office and Electors – The Board of Directors shall be for a term of three (3) years, or until the earlier death, resignation, removal or disqualification of the director. Nominees for directors may be reelected by the Association's Nominating Committee in accordance with Article 6 herein.
- 3.4) Quorum and Manner of Acting - Except as otherwise provided by statute or by these Bylaws, a majority of directors shall be required to constitute a quorum for the transaction of business at any meeting. If less than a quorum is present at any meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. The acts of a majority of the directors present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors. The President, when presiding over meetings of the Board of Directors as provided herein, shall vote only in the case of a tie.
- 3.5) Organization - At the first meeting of the Board of Directors, the Directors shall elect from their membership officers who shall run the meetings and conduct the affairs of the

Association in accordance with Article 4.

- 3.6) Meetings - Meetings of the Board of Directors shall be held whenever called by the President or by any two (2) directors. No minimum number of meetings in a year is required. Unless notice is waived by all directors entitled to notice, notice of the meeting shall be given by an officer, who shall give at least forty-eight (48) hours' notice to each director by mail, e-mail, facsimile, telephone or in person. Each director, by his or her attendance and his or her participation in the action taken at any directors' meeting, is considered to have waived notice of that meeting.
- 
- 3.7) Place of Meetings - The Board of Directors may hold its meeting at such place or places, within or without the State of North Carolina, as it may from time to time determine.
- 3.8) Removal of Directors - Any director may be removed, with or without cause, by a vote of a majority of the total number of directors at a meeting of the Board of Directors. The vacancy on the Board of Directors caused by any such removal shall be filled in the manner specified in Section 3.10 hereof.
- 3.9) Resignation - Any director may resign at any time by giving written notice to the President or to the Secretary. The resignation of any director shall take effect at the time, if any, specified therein or, if no time is specified therein, upon receipt thereof by the officer of the Association to whom such written notice is given; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 
- 3.10) Vacancies - Any vacancy on the Board of Directors shall be filled by vote of the remaining directors on the board, even if less than a quorum, and each director so chosen shall hold office for the remaining term of the director creating the vacancy. Any director so chosen shall be eligible for election to the Board of Directors at the expiration of the term for which the director was chosen.
- 3.11) Written Action by Directors - Any action that may be taken at a meeting of the Board of Directors may be taken without a meeting and notice thereof if a consent in writing, setting forth the action so taken, is signed by all of the directors; provided, however the action may be taken by a consent signed by the number of directors required to take the action at a duly held meeting of the Board of Directors at which all of the directors are present.
- 3.12) Proxies - Proxies shall not be allowed or used.
- 3.13) Reimbursement; no compensation - The Board of Directors of the Association may at any time and from time to time, by resolution adopted by two-thirds (2/3) of the total number of directors, provide for the payment or reimbursement of expenses incurred by any director, officer, agent or employee of the Association for any expenses necessarily paid or incurred by, any such director, officer, agent or employee, but only if and to the extent that the incurrence of such expenses is directly in furtherance of the charitable purposes of the Association and the amount of expenses paid or reimbursed is reasonable and not excessive.
-

No director shall be entitled to any further form of compensation whatsoever, including but not limited to professional services rendered unto the Association.

- 3.14) Property Rights - No member of the Board of Directors shall have any right, title or interest in or to any property of the Association, except as property owners in the subdivision and members of the Association.

#### **Article 4. Officers**

---

- 4.1) Officers and Number - The officers of the Association shall be a President, a Vice-President, a Secretary, a Treasurer and such other officers as may from time to time be elected by the Board of Directors. Any two offices, except those of President and Vice President, may be held by the same person.
- 4.2) Election, Term of Office and Qualifications - Each officer shall hold office for a term of one (1) year or until the earlier death, resignation, removal or disqualification of the officer. The officers shall be elected from among the members of the Association.
- 4.3) President - The President shall preside at all meetings of the Board of Directors and any committees. The President shall be the chief executive officer of the Association; shall have general control of the business of the Association; shall be ex-officio a member of all standing committees; may execute and deliver in the name of the Association any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Association; and, in general, shall perform all duties incident to the office of President, and such other duties as may from time to time be prescribed by the Board of Directors.
- 4.4) Vice President - In the event of the absence or disability of the President, the Vice President shall succeed to and perform the duties and exercise the powers of the President. The Vice President shall perform such other duties as may be prescribed by the Board of Directors.
- 4.5) Secretary - The Secretary shall: (a) attend all meetings of the Board of Directors and any committees; (b) keep in the minute book proper minutes of the proceedings of all such meetings; (c) give all required notices; (d) maintain custody of the corporate record; and (e) perform such other duties as may be assigned by the Board of Directors.
- 4.6) Treasurer - The Treasurer shall have charge and custody of all funds of the Association; shall keep and render accurate account of all receipts and disbursements; shall deposit all monies in the name of the Association in such banks or depositories as the directors shall designate; shall have the power to endorse for deposit all instruments received by the Association; shall disburse funds of the Association as directed by the Board of Directors; and shall perform such other duties as may from time to time be prescribed by the Board of Directors.
- 4.7) Other Officers, Agents and Employees - The Association may have such other officers,

- 5.5) Action Without a Meeting - Any action that may be taken at a meeting of the Executive Committee may be taken without a meeting and notice thereof if a consent in writing, setting forth the action so taken, is signed by all of the members of the Executive Committee.

## **Article 6. Nominating Committee**

- 6.1) Number, Qualifications, Term of Office - The Board of Directors shall, by resolution adopted by two-thirds (2/3) of the total number of directors, establish a Nominating Committee of the Board of Directors of the Association and appoint two (2) or more directors to serve on such Nominating Committee. When a member of the Nominating Committee ceases to be a director of the Association, such person automatically shall cease to be a member of the Nominating Committee.
- 6.2) Powers - The Nominating Committee shall be responsible for considering and nominating appropriate candidates for election to the Board of Directors.
- 6.3) Meetings - The Nominating Committee shall hold meetings, at such times and places, and upon such notice, if any, as may from time to time be fixed by resolution adopted by a majority of the members of the Nominating Committee.
- 6.4) Quorum and Manner of Acting - One-third (1/3) of the total number of members of the Nominating Committee (but not less than two (2)) shall be required to constitute a quorum ~~for the transaction of business at any meeting, and the act of a majority of the members of the~~ Nominating Committee present at any meeting at which a quorum is present shall be the act of the Nominating Committee. In the absence of a quorum, a majority of the members of the Nominating Committee present may adjourn any meeting from time to time until a quorum is present. Notice of any adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken.
- 6.5) Action Without a Meeting - Any action that may be taken at a meeting of the Nominating Committee may be taken without a meeting and notice thereof if a consent in writing, setting forth the action so taken, is signed by all of the members of the Nominating Committee.

## **Article 7. Financial and Property Management**

- 7.1) Fiscal Year - The fiscal year of the Association shall end on December 31 of each year.
- 7.2) Books and Records - The Board of Directors of the Association shall keep:
- (a) ~~Records of all proceedings of the Board of Directors, the Nominating Committee, the~~ Executive Committee, if any, and any other committees; and

- (b) Such other records and books of account as shall be necessary and appropriate to the conduct of the business of the Association.
- 7.3) Documents Kept at Principal Office - The Board of Directors shall cause to be kept at the principal office of the Association originals or copies of:
- (a) Records of all proceedings of the Board of Directors, the Nominating Committee, the Executive Committee, if any, and any other committees; and
  - (b) All financial statements of the Association; and
  - (c) Articles of Incorporation and Bylaws of the Association and all amendments and restatements thereof.
- 7.4) Accounting System and Audit - The Board of Directors shall establish and maintain in accordance with generally accepted accounting principles applied on a consistent basis, an appropriate accounting system for the Association. The Board of Directors may cause the records and books of the account of the Association to be audited, at such time as it may deem necessary or appropriate and may retain such person or firm for such purposes as it may deem appropriate.
- 7.5) Checks - All checks, other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, as may from time to time be determined by resolution of the Board of Directors.
- 7.6) Deposits - All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.
- 7.7) Voting Securities Held by the Association - The officer or agent designated by the Board of Directors shall have full power and authority on behalf of the Association to attend, act at and vote at any meeting of security holders of other corporations in which the Association may hold securities. At the meeting, the President or other designated agent may possess and exercise any and all rights and powers incident to the ownership of the securities which the Association holds.
- 7.8) Restricted Funds - The Board of Directors shall use restricted funds only consistent with the purposes stated, if any, when the funds are transferred to the Association.

## **Article 8.**

### **Indemnification**

- 8.1) Indemnification - Directors, officers, committee members and other persons shall have the rights to indemnification provided by North Carolina General Statutes, and any and all laws

amendatory thereof and supplementary thereto.

**Article 9.  
Notices**

- 9.1) Notices - All notices required by the Bylaws shall be in writing and shall be mailed by the Secretary to the members or directors entitled thereto, at their addresses as shown on the records of the Association. Notices transmitted by email shall have the same validity as if sent by postal service mail.
- 
- 9.2) Waiver of Notice - A director may waive any notice required to be given by these Bylaws, the Articles of Incorporation, or statute, either before or after the time stated therein. Any such waiver in writing signed by the person entitled to notice shall be deemed equivalent to such notice. All waivers shall be filed with the records of the Association.

**Article 10.  
Amendments**

- 10.1) Amendments - These Bylaws may be amended or repealed, and new bylaws may be adopted in accordance with the provisions of North Carolina General Statutes. Adoption of any proposed amendments shall be by a majority vote of the directors voting on the proposed amendments.

The undersigned Archie C. Burnham, III, Incorporator of the Chisholm Chase Estates Homeowners' Association, Inc., hereby certifies that the foregoing Bylaws were adopted as the complete bylaws of the Association by the members of the Association on January 26, 2011.

\_\_\_\_\_  
Archie C. Burnham, III