

**BYLAWS  
OF  
DEER RIDGE AT PARADISE COVE HOME OWNER'S ASSOCIATION,  
INC.**

**ARTICLE I  
OFFICE**

Section 1.1. Principle Office. The principal mailing office of the corporation shall be: P.O. Box 902, Murphy, North Carolina 28906

Section 1.2. Registered office. The Association shall at all times maintain a registered office in the State of North Carolina and a registered agent at that address shall be Bata & Mello Law Office, P.A., 225 Valley River Avenue, Suite B, Murphy North Carolina 28906.

**ARTICLE II  
DEFINITIONS**

Unless the context requires otherwise, the terms defined in the Declaration of Restrictions, Conditions, Easements, Covenants, Agreements, Liens, and Charges of Deer Ridge, Formerly Known as Paradise Cove dated December 5, 2006 filed in Cherokee County, N.C. (the "Declaration", being incorporated herein in its entirety) shall have the same meanings for purposes of these Bylaws as are ascribed to them in the Declaration.

**ARTICLE III  
MEMBERS**

Section 3.1. Membership. The Association shall consist of all lot owners as defined by Deed of property(s).

Section 3.2. Annual Meeting. A meeting of the members of the Association shall be held annually at such time and place on such date as the Directors shall determine from time to time.

Section 3.3. Special Meetings. Special meetings of the members may be called at any time by the President of the Association. Additionally, it shall be the duty of the President to call a special meeting of the members upon being presented with a written request to do so signed (i) by a majority of the members of the Board of Directors, or (ii) by the members of the Association entitled to cast no less than ten percent (10%) of the total vote of the Association.

Section 3.4. Notice of Meeting. It shall be the duty of the Secretary to give a notice to each member of each meeting of the members within the time limits required by Chapter 47F-3-108, not

less than 10 nor more than 20 days in advance. Each notice of a meeting shall state the purpose thereof as well as the time and place where it is to be held.

**Section 3.4.1. Order of Business**

- a) Roll call.
- b) Proof of notice of meeting or waiver of notice.
- c) Reading of minutes of proceeding meeting.
- d) Report (s) of minutes.
- e) Report (s) of committee (s) if any.
- f) Election of Directors.
- g) Unfinished business (Old).
- h) New business.
- i) Adjournment of meeting.

**Section 3.5. Quorum.** A quorum shall be deemed present throughout any meeting of the members until adjourned if members, in person or by proxy, entitled to cast more than one-fourth (1/4) of the votes of the Association are present at the beginning of such meeting.

**Section 3.6. Voting.** On all matters upon which the members are entitled to vote, each member shall be entitled to cast one (1) vote for each Lot, in which he shall own of record a fee interest or an undivided fee interest. In no event, however, shall more than one vote be cast with respect to any Lot. During any period, in which a member shall be in default in the payment of any amount due and owing to the Association, the vote which is allocated to any Lot in which such member owns a fee interest shall not be counted for any purpose.

**Section 3.7. Adjournments.** Any meeting of the members, whether or not a quorum is present, may be adjourned by the holders of a majority of the votes represented at the meeting to reconvene at a specific time and place. It shall not be necessary to give any notice of the reconvened meeting, if the time and place of the reconvened meeting are announced at the meeting which was adjourned. At any such reconvened meeting at which a quorum is represented or present, any business may be transacted which could have been transacted at the meeting which was adjourned.

## **ARTICLES IV** **DIRECTORS**

**Section 4.1. Number.** The number of members of the Board of Directors shall be five (5).

**Section 4.2. Appointment and Election.** The members of the Board of Directors shall be elected at the Annual meeting by the Association members. Elected members shall serve for a term of two years and until their successors are elected. Officers term will be staggered to ensure continuity of the Board. (ie; two positions one year, and three positions the following year will be elected.)

**Section 4.3. Vacancies.** Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, through less than a quorum of the Board of Directors.

**Section 4.4. Duties and Powers.** Except as specifically provided otherwise in the North Carolina General Statutes – Chapter 47F, the Declaration, the Articles of Incorporation of the Association or these Bylaws, the powers inherent in or expressly granted to the Association may be

exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the members. The Board of Directors shall also have the responsibility of discharging all of the duties imposed upon the Board of Directors under the terms and provisions of the aforesaid instruments. Without limiting the generality of the provisions of this Section 4.4., the Board of Directors shall have the following specific powers:

- (a) To suspend the membership rights of any member of the Association, including the right to vote, during the period of time such member shall be delinquent in the payment of any assessment, assessment installment, or any amount or amounts as shall be due and payable to the Association, or shall fail to comply with or abide by any rule or regulation adopted by the Board of Directors in regard to the Association; and
- (b) To enter into management agreements for the Association.

Section 4.5. Regular Meetings. The Board of Directors shall meet as often as the President of the Association shall determine.

Section 4.6. Special Meetings. Special Meetings of the Board of Directors may be called at any time by the President, or by any two directors, on a two (2) days' notice to each director, which notice shall specify the time and place of the meeting. Notice of any such meeting may be waived by an instrument in writing executed before or after the meeting. Attendance in person at any meeting shall constitute a waiver of notice thereof.

Section 4.7. Compensation. No fee or compensation shall be paid by the Association to directors for their services in said capacity unless such fee or compensation is approved by a majority of the votes of the members cast at a duly convened meeting thereof, and in no event shall any director receive any compensation from the Association for serving as a director. The directors shall be entitled in all events, however, to reimbursement for reasonable expenses incurred by them in the performance of their duties.

## ARTICLE V OFFICERS

Section 5.1. General Provisions. The officers of the Association shall consist of a President, a Vice-President a Secretary and a Treasurer. In addition, the Association shall have such other officers as the Board of Directors shall deem to be desirable in connection with the administration of the affairs of the Association. Any two or more offices may be held by the same persons.

Section 5.2. Appointment. All of the officers of the Association shall be appointed by, and shall serve at the pleasure of, a majority of the members of the Board of Directors.

Section 5.3. President. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the members and the Board of Directors. The President shall manage, supervise, and control all of the business and affairs of the Association, and shall have all of the owners and duties which are incident to the office of the president of a corporation organized under North Carolina law.

Section 5.4 Vice-President. The Vice President shall perform the duties of the President whenever the President shall be absent or unable to perform such duties. If neither the President

nor the Vice-President shall be able to perform such duties, the Board of Directors shall appoint one of their members to act in the place of the President on an interim basis.

Section 5.5. Secretary. The Secretary (a) shall attend all meetings of the members and of the Board of Directors and shall keep the minutes thereof, (b) shall be responsible for the preparation and giving of all notices which are required to be given by the Declaration and these Bylaws, (c) shall be the custodian of the books and records of the Association, (d) shall keep a register of the addresses of each member of the Association, and (e) shall perform such other duties as are incident to the office of the secretary of a corporation organized under North Carolina law.

Section 5.6. Director. The Director shall perform the duties of the Secretary whenever the Secretary is absent or unable to perform such duties. The Director will also lead any committees appointed by the Board.

Section 5.7. Treasurer. The Treasurer shall be charged with the management of the financial affairs of the Association, and shall keep full and accurate financial records and books of account showing all receipts and disbursements and of the Association, and shall prepare all required financial data. The Treasurer shall also perform all duties which are incident to the office of the treasurer of a corporation organized under North Carolina law.

Section 5.8. Compensation of Officers. The officers of the Association shall be entitled to the payment of such compensation as shall be approved by two-thirds of the total members of the Board of Directors; in no event shall any officer receive any compensation from the Association for serving in such capacity.

## ARTICLE VI MISCELLANEOUS

Section 6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 6.2. Certain Notices. Any member who shall sell any Lot in which he has a fee or undivided fee interest shall promptly give the Secretary a written/email notice of such sale, which notice shall also set forth the name and address of such purchases. The address so furnished for such purchaser shall be: P.O. Box 902, Murphy, N.C. 28906 or email DeerRidgeAtPardiseCove@gmail.com.

## ARTICLE VII AMENDMENTS

These Bylaws may be amended only in accordance with the following procedure; the Board of Directors shall first adopt a resolution proposing the amendment and recommending its adoption by the members. Such proposed amendment shall then be presented to the members at a meeting thereof duly called and held for the purpose of considering such proposed amendment. If such proposed amendment is approved by at least two-thirds (2/3) of the votes cast at such meeting, such amendment shall become effective.

## ARTICLE VIII INDEMNIFICATION

Each person who is or was a director or officer of the Association shall be indemnified by the Association against those expenses (including attorneys' fees) judgments, fines and amounts paid in settlement which are allowed to be paid or reimbursed by the Association under the laws of the State of North Carolina and which are actually and reasonably incurred in connection with any action, suit, or proceeding, pending or threatened, whether civil, criminal, administrative or investigative, in which such person may be involved by reason of his being or having been a director or officer of the Association. Such indemnification shall be made only in accordance with the laws of the State of North Carolina and subject to the conditions prescribed therein.

In any instance where the laws of the State of North Carolina permit indemnification to be provided to persons who are or have been an officer or director of the Association only on a determination that certain specified standards of conduct have been met, upon application for indemnification by any such person the Association shall promptly cause such determination to be made (i) by the Board of Directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding; (ii) if a quorum cannot be obtained by majority vote of a committee duly designated by the Board of Directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding; (iii) by special legal counsel selected by the Board of Directors or its committee in the manner prescribed in (i) or (ii), or if a quorum of the Board of Directors cannot be obtained under (i), and a committee cannot be designated under (ii), selected by majority vote of the full Board of Directors (in which selection directors who are parties may participate); or (iv) by the members, but members who are also directors who are at the time parties to the proceeding may not vote on the determination.

As a condition to any such right of indemnification, the Association may require that it be permitted to participate in the defense of any such action or proceeding through legal counsel designated by the Association and at the expense of the Association.

The Association may purchase and maintain insurance on behalf of any such persons whether or not the Association would have the power to indemnify such officers and directors against any liability under the laws of the State of North Carolina. If any expenses or other amounts are paid by way of indemnification, other than by court order, action by the members or by an insurance carrier, the Association shall provide notice of such payment to the members in accordance with the provisions of the laws of the State of North Carolina.

