
DRAFT for BOARD REVIEW

BY-LAWS
OF
RAVEN RIDGE ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is Raven Ridge Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at PO Box 711, Maggie Valley, NC 28751 but meetings of members and directors may be held at such places within the state of North Carolina, County of Haywood, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Raven Ridge Association, Inc., its successors, and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of Register of Deeds of Haywood County, North Carolina.

Section 7. “Member” shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. Annual meetings of the members shall be held at such place, hour and manner of attendance, including in person and/or electronic attendance, as may be fixed by resolution of the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by at least two (2) members of the Board of Directors, or upon a written request of one-fourth (1/4) of the members who are entitled to vote. Time, place and manner of attendance, including in person and/or electronic attendance shall be fixed by resolution of the Board of Directors.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member’s address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Electronic delivery via the member’s provided email address is allowable provided the member has authorized the association to utilize this method for official notification of meetings. Such notice shall specify the place, day, and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, a majority (51%) of the membership shall constitute a quorum for any action except as otherwise provided in the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot. No Lot, through the Lot Owner(s)

thereof, may be allowed to cast more than two (2) votes by way of a proxy exercised on behalf of another Lot.

Section 6. Representatives - Any personal representative, executor or administrator of the estate of any member, or guardian or trustee for any member, may exercise such member's voting rights. Such person shall file an affidavit or other proof of their status with the Secretary/Treasurer.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of **nine (9) directors**, who need not be members of the Association. Unless otherwise approved by the members, only one owner per property or lot shall be allowed to serve on the Board at any given time.

Section 2. Term of Office. At each annual meeting the members shall elect directors to fill vacancies on the board for a term of three years.

Section 3. Qualifications. All directors are expected to remain in good standing (not in violation of governing documents, delinquent in assessments, etc) with the Association and to attend and participate in Board meetings.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. If a director receives a violation, or otherwise fails to perform their duties, or determined to be in bad standing, they may be removed by a majority vote of the Board. In the event of death, resignation or removal of a director, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

Section 4. Compensation. No director shall receive compensation for any service they may render to the Association. However, any director may be reimbursed for their actual expenses incurred in the performance of their duties.

Section 5. Liability Of Directors.

- (a) Exculpation. No director or officer of the Association, in their capacity as director or officer rather than as an Owner, is liable for acts or defaults of another director, officer or Owner, or for any loss sustained by the Association or any Member thereof, unless

the same has resulted from their own willful misconduct or negligence. Nothing contained in this Section exempts such director or officer from the liabilities and obligations of Owners as provided by these Bylaws.

- (b) Indemnification. Every director and officer of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon them in connection with the claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which they may be involved as a party, or otherwise by reason of them having been a director or officer of the Association at the time of the incurring or imposition of such costs, expense, or liabilities, except in relation to matters as to which they shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or negligence toward the Association in the performance of their duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification is in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and inures to the benefit of the legal representatives of such person. The Association may insure its obligations under this subsection.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor of the annual meeting.

All nominees must meet the following qualifications:

- (a) Nominees may not be delinquent in assessments, fines or unresolved HOA violations.
- (b) Nominees must have read, understand and agree to abide by Board Policy & Procedures.
- (c) Nominees must have internet access and agree to electronic correspondence.
- (d) Nominees shall advise the Nominating Committee if more than one owner of a single property or lot is nominated to serve, and the Nominating Committee shall advise the members of any potential conflict with such nominations.

Section 2. Nominating Committee. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of that annual meeting until the close of the next annual meeting. Such appointments shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 3. Election. Election to the Board of Directors shall be by secret written ballot. At such elections the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF THE DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Any Regular Meeting may be cancelled, with seven (7) days written notice to the Board, if the President determines the meeting is not necessary.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days written notice is delivered to each director.

Section 3. Action Taken Without a Meeting. Directors should avoid taking action without a meeting whenever possible. However, In the event an imminent decision is required, and it is not possible to call a Board meeting, directors are authorized to take action provided they immediately notify all directors in writing of such action. If, within 24 hours of notification of such action, if any director responds with a written objection to such action the director taking the action must make every effort to stop the action until a Board meeting can be convened to consider the action. If no written

objection is received within the 24 hour notification period, the action shall be considered an approved action of the Board and must be ratified at the next Board meeting.

Section 4. Open/Closed Sessions. Generally board meetings should be open to the homeowners with opportunities to speak to the executive board about issues or concerns. Legitimate reasons for closing a meeting generally concern issues that—if discussed in public—could violate privacy laws or harm or cause embarrassment to the association or another party. Board discussions made in closed sessions are private and not to be shared with homeowners or others without the board’s permission.

A general list of valid reasons for going into closed session includes:

- (a) consulting with the association counsel regarding legal issues
- (b) discussing litigation or prospective litigation either by the association or against the association
- (c) reviewing personal information that is confidential or should not be generally known, such as delinquencies in homeowner association dues;
- (d) conferring about contracts or property purchases (after all, it's hard to negotiate if your position is known to all);
- (e) reviewing association employees or personnel issues; or
- (f) handling disciplinary matters or rules violations by association members.

Section 5. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) make necessary budget adjustments to redistribute funds from one line item category to another provided the total annual budget is not exceeded and the modifications have been authorized by resolution of the board;
- (b) adopt and publish Association Rules and Regulations governing the use of the Common Area and facilities, the care and appearance of Properties, and the conduct of the members and their guests, and to establish penalties for the infraction thereof;

- (c) suspend the voting rights and right to use the recreational facilities of a member during any period in which such member shall be involved with an unresolved violation and/or in default in the payment of any assessment levied by the Association. Such rights may also be suspended for infraction of published rules and regulations;
- (d) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Declaration, or Rules and Regulations;
- (e) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (f) remove a director if they are in receipt of a violation, or otherwise fail to perform their duties, or are determined to be in bad standing, they may be removed by a majority vote of the Board.
- (g) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) keep a complete record of all its acts and corporate affairs
- (b) supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual period;
 - (2) send notice, electronic, personal or mail delivery, of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) assess late fees, interest, reasonable attorney fees. and lien after 90 days against any property for which assessments are not paid or to bring an action at law against the owner personally obligated to pay the same.

- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be insured,
- (g) cause the Common Area to be maintained.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. Vacancy in any office may be filled by appointment by the board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer they replace.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

- (a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

- (b) The vice-president shall act in the place and stead of the president in the event of his absence, inability, or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

- (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

- (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members. An audit of the association's

books and records for the current or immediately preceding fiscal year may be required by a vote of the majority of the executive board or by the affirmative vote of a majority of the owners present and voting in person or by proxy at any annual meeting or any special meeting duly called for that purpose.

ARTICLE IX

COMMITTEES

Section 1. - Appoint Committees. The board forms committees and appoints Directors as committee chairs to manage association projects and business affairs. It's recommended that, in most cases, committees remain small working groups, preferably 2-3 members, so they can more efficiently work through the details of a project. The Committee should never consist of a quorum of the Board to avoid being construed as an improperly convened Board Meeting. The Committee brings forward its recommendations to the Board for approval and makes monthly reports when appropriate.

Section 2. Powers Of Committee Chair - The role of the Committee Chair is to nominate committee members (who do not need to be association members), accept responsibility for a project, report to the Board, chair committee meetings, provide leadership and execution. The Committee Chair is empowered to, in the absence of the Board, make decisions and/or commitments provided they have notified all Directors in writing (*as provided in Article VI Section3- Action Without Meeting*).

Section3. Standing & Special Committees - *Standing Committees* are ongoing to help manage the regular business of the association. *Special Committees* are appointed as needed to manage special projects and expire after the project is completed.

Standing Committees (by example):

- *ARC Committee* - *ARC request approvals/denials / project oversight & compliance*
- *Landscape Committee* - *Common area maintenance & projects / manage vendors*
- *Social Committee* - *Manage association events, Pavilion / new owner orientations*
- *Nominating Committee* - *Encourage HOA participation / Ensure 3 nominees (annually)*
- *Governance Committee* - *Document updates, ensure compliance, enforce violations*

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, By-Laws and Rules and Regulations of the Association shall be available for inspection on the Association's webpage.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of no more than eighteen per cent (18%) per annum and late fees no more than ten percent (10%) of any unpaid assessment/month. The Board may declare any remaining balance together with late fees, interest, and costs of collection including reasonable attorneys' fees, a binding personal obligation of such Owner, as well as a lien on such Owner's Dwelling and/or Lot enforceable in accordance with the provisions of the Declaration.

ARTICLE XII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote in person or by proxy of at least sixty-seven (67%) of the lot owners.

Section 2. In the case of any conflict between the Declaration of Covenants and these By-Laws, the the Declaration shall control

Section 3 Severability/Invalidation. A determination by judgement or a court that any section or provision hereof is invalid for any reason shall not affect the validity of any other section or provision hereof which shall remain in full force and effect.

ARTICLE XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st of July and end on the 30th day of June of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESSES WHEREOF, the undersigned Lot Owners have caused these Bylaws to be duly executed and sealed.