

BYLAWS
OF
CANTERBURY PROPERTY OWNERS ASSOCIATION

ARTICLE 1

NAME AND LOCATION

The name of the Association is CANTERBURY PROPERTY OWNERS ASSOCIATION. The principal office of the Association shall be located at PO Box 2840, Boone, NC 28607, but meetings of members and directors may be held at such places within the State of North Carolina as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

2.1 "**Association**" shall mean and refer to CANTERBURY PROPERTY OWNERS ASSOCIATION, its successors and assigns.

2.2 "**Property**" shall mean and refer to that certain real property described in the Declaration of Protective Covenants applicable to the property referred to as CANTERBURY ESTATES and CANTERBURY FARMS, and recorded in the Wilkes County Court House.

2.3 "**Common Area**" shall mean all real property owned by the Association for the common use and enjoyment of the Canterbury Lot and Tract owners.

2.4 "**Lot**" or "**Tract**" shall mean and refer to any plot of land shown upon the Canterbury subdivision map of the Properties with the exception of the Common Area.

2.5 "**Owner**" shall mean and refer to the record owner, whether one or more persons or entities, but excluding those having such interest merely as security for performance of an obligation.

2.6 "**Declarant**" shall mean and refer to CANTERBURY DEVELOPMENT, INC.

2.7 "**Declaration**" shall mean and refer to the Declaration of Protective Covenants for CANTERBURY ESTATES and CANTERBURY FARMS, applicable to the Properties recorded in the Wilkes County Court House.

2.8 "**Member**" shall mean every person or entity including the Declarant, that is a recorded owner of any Lot or Tract in Canterbury.

ARTICLE III

MEETING OF MEMBERS

3.1 **Annual Meeting.** The first annual Canterbury Property Owners Association meeting of the members shall be held in the month of March after the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held the first (1st) Saturday of March of each year thereafter.

3.2 **Special Meeting.** Special meetings of the members may be called at any time by the president of the Board of Directors, or upon the written request of twenty-five percent (25%) of all members.

3.3 **Notice of Meeting.** Written notice of each meeting shall be given by the secretary or person authorized to call the meeting, by e-mail or by mailing a copy of the notice by US Postal service, at least 15 days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the Association. 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.

3.4 **Quorum.** The presence at the meeting of members entitled to vote, or of proxies entitled to vote must be twenty-five percent (25%) of the membership to constitute a quorum for any action, except for actions provided in the Articles of Incorporation, the Declaration, or these By-Laws. If a quorum shall not be present at any meeting, the members entitled to vote shall adjourn the meeting without notice other than announcement at the meeting.

3.5 **Proxies.** At all Association meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association and must state the name of the person appointed to vote. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot or Tract.

ARTICLE IV

BOARD OF DIRECTORS,

4.1 **Number.** A Board of not less than three (3) and not more than nine (9) Directors, elected by members of the Association, shall manage the affairs of this Association. The Board may have one member who is not a member of the Association. The initial Board shall consist of three (3) members appointed by the Declarant.

4.2 **Term of Office.** At the first annual meeting, the Members may wish to select more than three to the Board. The new Board members shall be elected for a term of one (1), two (2) or three (3) years. This is to avoid all Board Members' terms expiring at the same time.

4.3 **Removal.** Any director may be removed from the Board, with or without cause, by a simple majority vote (51%) of the membership of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.4 **Compensation.** No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.5 **Action Taken Without A Meeting.** The directors shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF THE BOARD OF DIRECTORS

5.1 **Nomination.** A three (3) member Nominating Committee shall make nominations for election to the Board of Directors. Nominations may also be made from the floor at the annual Association meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two members of the Association, who may or may not be Board Members. The Nominating Committee shall be appointed by the Board of Directors at the March Association meeting and shall serve until the close of the next annual Association meeting. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETING OF THE BOARD OF DIRECTORS

6.1 **Regular Meetings.** The annual meeting of the Board of Directors shall immediately follow the Association meeting each March. Two additional regular meetings of the Board of Directors shall be held each year; one in May and one in October.

6.2 **Special Board Meetings.** Special meetings of the Board of Directors shall be held when called by the President, or by any two directors, after not less than seven (7) days notice is given to each director.

6.3 **Quorum.** A simple 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 the duly held meeting at which a quorum is present shall be regarded as the act of the entire Board except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 **Powers.** The Board of Directors shall have the power to make the following decisions on behalf of the Association:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof. Rights and privileges may be suspended for a period not to exceed sixty (60) days, after notice and hearing by the Board, for infractions of published rules and regulations;

(b) suspend the voting rights and right to use any of the recreational facilities of a member during any period in which such member shall be in default in the payment of annual dues or in default of any assessment levied by the Association. Such rights may be suspended until dues of assessments are paid;

(c) 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 Articles of Incorporation or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent for the entire year from all regular meetings of the Board of Directors;

(e) employ a manager, an independent contractor, an accountant or such other employees as they deem necessary, and to prescribe their duties and rate of pay.

7.2 **Duties.** The following duties are the responsibility of the Board of Directors:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by twenty-five percent (25%) of the members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) fix the amount of the annual maintenance fee, as provided in the Declaration, against each Lot or Tract at least thirty days (30) in advance of each annual assessment period. Declarant does not pay annual maintenance fee on property not sold, but is responsible for contributing any necessary funds so that the Declarant meets any obligation of the Association until such time as the Declarant transfers his interest and control in the Common Areas over to the Association;

(d) send written notice of the annual maintenance fee to every owner subject thereto at least thirty (30) days before maintenance fee is due;

(e) place a lien against any property for which annual maintenance fees are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the annual maintenance fees;

(f) issue, or cause an appropriate office to issue, to each property owner a receipt showing evidence of payment of annual maintenance fees;

(g) procure and maintain adequate liability and hazard insurance on all property owned by the Association including the pool site. The pool site will be operated at all times without liability or responsibility upon the town of North Wilkesboro and in the event of the cessation of operation of the pool, the town of North Wilkesboro shall have no obligation regarding the continued maintenance or operation of the pool.

(h) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(i) cause all Common Areas to be maintained.

ARTICLE VIII

ELECTION OF OFFICERS AND THEIR DUTIES

8.1 **Officers.** The officers of the Association shall be a president and a vice president, who shall at all times be members of the Board of Directors, a secretary, a treasurer and such other officers as the Board may from time to time by resolution create. The secretary and treasurer may be the same person and are not required to be on the Board of Directors.

8.2 **Election of Officers.** The election of officers by the Board of Directors shall take place at the meeting of the Board of Directors following each annual Association meeting in March.

8.3 **Term.** The term for officers shall be one (1) year unless he or she shall sooner resign, or shall be removed or otherwise disqualify to serve.

8.4 **Special Appointment.** The Board may elect such other officers as the affairs of the Association may require to perform such duties as the Board may, from time to time determine.

8.5 **Resignation and Removal.** The Board may remove any officer from office with or without cause by a vote of fifty-one (51%) percent. 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 and the acceptance of such resignation shall not be necessary to make it effective.

8.6 **Vacancies.** A 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 he replaces.

8.8 **Duties Of The Officers.** The duties of the officers are as follows:

(a) President 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 promissory notes.

(b) Vice President The vice-president shall act in the place 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.

(c) Secretary The secretary shall record the votes and keep the minutes of all Association meetings and all Board meetings; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Association; 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.

(d) Treasurer 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 co-sign all promissory notes on behalf of the Association; keep proper accounting records; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; file all required state and federal tax returns, prepare financial statement for the year end and prepare an annual budget of income and expenditures to be presented to the membership at its annual Association meeting in March.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint an Architectural Review Committee as provided in Article III, Section 3.B of the Declaration of Protective Covenants. In addition, the Board of Directors shall appoint other committees, such as a Pool Committee or Walking Trail Committee, as deemed appropriate in carrying out its purposes.

ARTICLE X

ASSESSMENTS

As provided in Article IX, Section 9.B of the Declaration of Protective Covenants, each member is obligated to pay to the Association an annual maintenance fee. This fee may be adjusted by the Board of Directors at the annual board meeting held in October of each year. In addition to the annual maintenance fee, the Association Members may vote to have special assessments. Any maintenance fees or special assessments, which are not paid when due, shall be delinquent. If the fees or assessments are not paid within thirty (30) days after due date, the amount due shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum and the Association may bring an action at law against the Owner personally obligated to pay the same or place a lein against the property. No Owner may waive or otherwise escape liability from the assessment or annual maintenance fee by Non-use of the Common Area or Abandonment of his Lot or Tract.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal having within its circumference the words:
CANTERBURY PROPERTY OWNERS ASSOCIATION.

ARTICLE XII

AMENDMENTS

13.1 These By-Laws may be amended within the first fifteen (15) years in part by an instrument signed by two-thirds (2/3) of the members, agreeing to the proposed amendments. After 15 years the By-Laws may be amended by an instrument signed by fifty-one per cent (51%) of the Association Members.

13.2 In the case of any conflict between the Articles of Incorporation and the By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration of Protective Covenants and these By-Laws, the Declaration of Protective Covenants shall control.

ARTICLE XIII

SEVERABILITY

14.1 Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.