By-Laws

OF

Timberwood Mountain Estates Property Owner's Association, Inc.

ARTICLE I

NAME

Section 1.

The name of the Corporation shall be TIMBERWOOD MOUNTAIN ESTATES PROPERTY OWNER'S ASSOCIATION, INC.

ARTICLE II

OFFICES

Section 1. Principal Office

The principal office of the corporation shall be located at 912 Timberwood Drive, Marble, NC 28905.

Section 2. Registered Office

The registered office of the Corporation required by law to be maintained in the state of North Carolina shall be: 1 Timberwood Drive, Marble, NC 28905.

ARTICLE III

MEMBERSHIP

Section 1. General Membership

Each person, firm or corporation who owns a fee simple absolute title interest in any lot in TIMBERWOOD MOUNTAIN ESTATES SUBDIVISION as described in Deed Book 692, Page 77, Cherokee County Registry and Deed Book 692, Page 146, Cherokee County Registry or in any other recorded Deed for land subjected to the Declaration of Covenants filed for record in Book 698, Page 128 and any Amendments thereto at the office of the Register of Deeds of Cherokee County, North Carolina, reference to which is made hereby for incorporation herein and who is or may be the owner of any addition(s) of the aforesaid property brought within the jurisdiction of the Corporation shall be a member of the Corporation; provided, that any such person, firm or corporation who holds title to any property brought within the jurisdiction of this corporation under a deed to secure debt, mortgage or deed of trust shall not be a member of the Corporation.

Membership shall be appurtenant to and may not be separated from ownership of any subdivision lot brought within the jurisdiction of this Corporation.

The developer of the property described in the restrictive covenants and conditions as recorded in Deed Book 698, Page 128, office of the Register of Deeds of Cherokee County, North Carolina and the developer of any other property brought within the jurisdiction of this Corporation through acquisition of additional property, may assign its membership in the Corporation to any person, firm, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership, may make successive like assignments.

Membership in the Corporation shall not otherwise be transferable or assignable.

ARTICLE IV

VOTING RIGHTS

Section 1.

A voting member shall be a person, firm, or corporation named on a current alphabetical list of voting members of the Corporation prepared and filed by the Secretary of the Corporation at the principal place of business of the Corporation.

The voting right of a member of the Corporation is incident to ownership of a simple absolute title interest in a residential lot in TIMBERWOOD MOUNTAIN ESTATES SUBDIVISION, as designated in deeds recorded in the office of the Register of Deeds of Cherokee County, North Carolina, reference to which is made hereby for incorporation herein and who is or may be the owner of any additions(s) of the aforesaid property brought within the jurisdiction of the Corporation.

In any case in which there are multiple owners, they shall designate a voting member, who shall be authorized to vote on their behalf at any meeting.

Each lot including those lots then owned by the developer therein named or his/her heirs and/or successors and assigns in interest shall be entitled to one (1) vote per lot which may be cast by the owner thereof as specified in this Article IV. Entitled Voting.

Section 2.

Voting rights shall be subject to suspension during such time as the annual or any special assessments for any lot shall be more than six months in arrears. A list of such suspended member shall be maintained by the Secretary of the Association. Voting rights shall not be reinstated until such time as the defaulting member shall pay current all assessments owed.

ARTICLE V

TERMINATION OF MEMBERSHIP

Section 1.

The right of membership to the Corporation shall automatically terminate when said member is not a record title owner to a residential lot subject to the By-Laws as set forth herein.

ARTICLE VI

MEETING OF MEMBERS

Section 1. Place of Meetings

All meetings of the members of the Corporation shall be held at the TIMBERWOOD MOUNTAIN ESTATES SUBDIVISION, in Cherokee County, North Carolina, or at such other suitable place convenient to the members as designated by the Board of Directors.

Section 2. Annual Meetings

The initial meeting of the members of the Corporation shall be declared by the Board of Directors and shall be held at a location to be held at a location to be specified in notice thereof. Thereafter the annual meetings of the membership of the Corporation shall be held on the forth Saturday in the month of October of each calendar year at a time to be determined, unless otherwise provided by the members at a previous meeting. If the date fixed for an annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

Section 3. Special Meetings

Special meetings of the membership of the corporation may be called at any time by the President or the Board of Directors of the Corporation or upon receipt by the Secretary of the Corporation of a petition signed by members holding an aggregate interest greater then twenty percent of the total vote of the membership of the Corporation. The call of a special meeting shall be by notice stating the date, time, place and purpose and order of business at such special meeting. Only the business specifically stated in the notice may be transacted at a special meeting of the membership of the Corporation.

Section 4. Notice of Meetings

Written or printed notice stating the time and place of the meeting shall be delivered not less than ten (10) nor more than twenty (20) days before the date of any meeting of the membership of the Corporation, either personally or by mail, by or at the direction of the President, or by the Secretary of the Board of Directors to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed as it appears on the record of the membership of the Corporation with postage thereon prepaid. Notice given to one tenant in common, joint tenant or tenant by the entirety shall be deemed notice to all such owners.

Any member may waive notice of the meeting in writing either before or after the meeting. Attendance of a member at a meeting, either in person or by proxy, except for the purpose of stating at the beginning of the meeting any objection to the transaction of business, shall constitute waiver of notice and any objection of any objection of any nature whatsoever as to the transaction of any business at such meeting.

Section 5. Order of Business

The order of business of each annual meeting shall be as follows:

(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.
(h) New business.
(i) Adjournment of meeting.

Section 6. Voting List

At least ten (10) days before each meeting of the membership of the Corporation, the Secretary of the Corporation shall prepare an alphabetical list of members of the Corporation who own property individually, as tenants in common, as joint tenants or as tenants by the entirety with the address of the member entitled to vote, which list shall be kept on file at the registered office of the Corporation for a period of ten (10) days prior to such meeting being subject to inspection by any member. This list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection by any member of the Corporation during the whole time of the meeting.

Section 7. Quorum

A quorum for the transaction of business of the Corporation at any duly called meeting of the members of the Corporation shall consist of 30% of the members of the Corporation entitled to vote at the meeting, represented either in person or by proxy. The members present at duly organized meeting may continue to transact business until adjournment, not withstanding the withdrawal of enough members to leave less than a quorum.

In the absence of a quorum at the opening of any meeting of the members of the Corporation, such meeting may be adjourned from time to time by vote of the majority of the members voting on motion to adjourn, and at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

Section 8. Proxies

Votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Corporation for the designated time of each meeting and shall be entered of record in the minutes of the meeting. Proxies may be submitted to the Secretary, provided they are received no later than five (5) days prior to the meeting.

Section 9. Majority Vote

Acts authorized, approved or ratified by the casting of a majority of the votes represented at a meeting at which a quorum is present, in person or by proxy, shall be the act of the Corporation except where a higher percentage of votes is required by these By-Laws or by law and shall be binding for all purposes.

ARTICLE VII

BOARD OF DIRECTORS

Section 1. General Powers

The business and affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Number, Term and Qualifications

The number of Directors constituting the Board of Directors shall be a minimum of three (3) and no more than five (5).

Each Director shall hold office for a term of two years or until his death, resignation, retirement, removal, disqualification or his successor shall have been elected and qualified. Directors need not be residents of the State of North Carolina but must be a member of the Corporation; provided, however, that until such time as there are at least five members in the Corporation, this requirement shall be waived.

Section 3. Election of Directors

Except as provide in Section 5 of this Article VII, the Directors shall be elected at an annual meeting of the membership of the Corporation, and those persons who receive the highest number of votes shall be deemed to have been elected. If any member so demands, the election of Directors shall be by ballot. Nominations may be submitted up to 30 days prior to the annual meeting by any member, by written submission to the Secretary, or on the floor at the meeting. In the event of a tie vote, the Chairman of the Board shall vote to break the tie.

Section 4. Removal

Any Director may be removed at any time with or without cause by a vote of the membership holding a majority of the outstanding shares entitled to vote at an election of Directors. If any Directors are so removed, new Directors may be elected at the same meeting.

Section 5. Vacancies

Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors even though less than a quorum, or by the sole remaining Director. A Director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office. Any directorship to be filled by reason of an increase in the authorized number of Directors shall be filled only by election at an annual meeting or at a special meeting of members of the Corporation called for that purpose.

Section 6. Chairman of the Board

There may be a chairman of the Board of Directors elected by the Directors from their number at any meeting of the Board of Directors. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.

Section 7. Compensation

No Director shall receive compensation for any service he or she may render to the Corporation nor shall the Corporation make any loan, directly or indirectly, to a Director; provided, however, a Director may be reimbursed for any expenses incurred by him or her in the performance of his or her duties. Mileage and travel expenses are not intended to be reimbursable.

Section 8. Power and Duties

The business and affairs of the Corporation shall be managed by its Board of Directors and shall include, among other things:

(a) The right to purchase, sell, acquire and dispose of assets of the Corporation which shall be used for the benefit and enjoyment of the membership. In this regard, the Board of Directors shall act in a fiduciary relationship as to the membership so as to further the use and enjoyment of the assets of the Corporation.

(b) The Board of Directors shall elect and appoint officers of the Corporation.

(c) The exercise of such duties and responsibilities as shall be incumbent upon the Board by law, the By-Laws of the Corporation, as the Board may deem necessary or appropriate in the exercise of its powers, including, without limitation, the collection of assets and charges from the members of the Corporation, the establishment and amendment from time to time of reasonable regulations governing the use of the assets governing control by the Corporation.

(d) The employment and dismissal of persons necessary for the maintenance and operation of the assets of the Corporation, and

(e) The right to employ a managing agent for the Corporation under such terms and conditions as the Board of Directors may authorize; provided, the Board of Directors shall not delegate to such agent the complete and total responsibility of the Corporation in violation of the non-profit corporation act of the State of North Carolina. The managing agent shall have such duties and shall receive such compensation as determined by the Board of Directors.

(f) Adopt and publish rules for common area usage.

(g) Establish annual and special assessments for each year, in accordance with the requirements of the Restrictive Covenants for TIMBERWOOD MOUNTAIN ESTATES SUBDIVISION.

ARTICLE VIII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings

A regular meeting of the Board of Directors shall be held immediately after and at the same place as the annual meeting of the membership of the Corporation. In addition, the Board of Directors may provide by resolution for the time and place for the holding of additional regular meetings. Such meetings may be held telephonically.

Section 2. Special Meetings

Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the Board of Directors.

Section 3. Notice of Meeting

Notice of regular and special meetings of the Board of Directors shall be given to each Director personally or by mail, telephone or telegraph at least three days prior to the day of such meeting; provided however, notice of the first regular meeting shall not be required to be given to the Directors provided that a majority of the entire Board is present at such meeting. Such meetings may be conducted telephonically in lieu of meetings where all the Directors are physically present. Should any such meeting fall on a legal holiday, then that meeting shall be held at the same time on the next date which is not a legal holiday. Further, communications among Directors may be by e-mail.

Section 4. Waiver of Notice

Any Director may waive notice of any meeting. The attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or conveyed.

Section 5. Quorum

A majority of the number of Directors fixed by these By-Laws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6. Manner of Acting

Except as otherwise provided in these By-Laws, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors of the Corporation.

Section 7. Presumption of Assent

A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her contrary vote is recorded or his/her dissent is otherwise entered in the minutes of the meeting or unless he/she shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 8. Informal Action by Directors

Action taken by a majority of Directors without meeting is nevertheless Board action if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken. This includes taking action by e-mail vote of members.

ARTICLE IX

OFFICERS

Section 1.

The officers of the Corporation shall consist of a president, vice-president, secretary and treasurer. No more than one office may be held by the same person, except that the offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term

The officers of the Corporation shall be elected by the Board of Directors and each officer shall hold office until his death, resignation, retirement, removal, disqualification or successor shall have been elected and qualified.

Section 3. Compensation of Officers

No officer shall receive compensation for any service he/she may render to the Corporation nor shall the Corporation make any loan, directly or indirectly, to an officer; provided however, an officer may be reimbursed for expenses incurred by him/her in the performance on his/her duties.

Section 4. Removal

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interest of the Corporation will be served thereby.

Section 5. President

The President shall be the principal executive officer of the Corporation and the Chairman of the Board of Directors of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. He shall, when present, preside all meetings of the membership of the Corporation. He shall sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general he shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice President

In the absence of the President or in the event of his death, inability or refusal to act, the Vice President(s), in the order of their length of service as a vice president, unless otherwise determined by the Board of Directors, shall perform the duties of the President and when so acting shall have all powers of and be subject to the restrictions upon the president of the Corporation. Any Vice President may sign with the Secretary and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. Secretary

The Secretary shall:

(a) Keep the minutes of the meetings of the membership of the Corporation, of the Board of Directors and of all executive committee meetings in one or more books provided for that purpose;

(b) See that all notices are duly given in accordance with the provisions of these By-Laws or as by law required;

(c) Be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized;

(d) Keep a register of the post office address of each member of the Corporation which shall be furnished to the Secretary by each member;

(e) Keep or cause to be kept at the principal office of the Corporation a record of the Corporation's membership, giving the names and addresses of all members and the number and class of membership held by each, and prepare or cause to be prepared, voting lists prior to each meeting of the membership; and

(f) In general, perform all duties incident to the Office of the Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

(g) Determine voting rights at each annual and special meeting of the members, including authority to suspend rights in accordance with Article III.

Section 8. Treasurer

The Treasurer shall:

(a) Have charge and custody of an be responsible for all funds and securities of the Corporation;

(b) Receive and give receipts for monies due and payable to the Corporation from any other source whatsoever and deposit all such monies in the name of the Corporation in such depositories as shall be selected in accordance with the provisions of Section 4 of Article VII of these By-Laws.

(c) Prepare or cause to be prepared a true statement of the Corporation assets and liabilities as of the close of each fiscal year, or calendar year as the case may be, all in reasonable detail, which statement shall be made and filed with the Corporation's principal place of business within four (4) months after the end of such fiscal or calendar year and there kept available for a period of at least ten (10) years; and

(d) In general, perform all of the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the president or the Board of Directors, or by these By-Laws.

ARTICLE X

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts

The Board of Directors may authorize any officer and officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans

No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts

All checks, drafts or other orders for the payment of money issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as the Board of Directors may select.

ARTICLE XI

RIGHTS, PRIVILEGES AND INCIDENTS OF MEMBERSHIP

Subject to the rules and regulations of the Corporation, any member shall be entitled to the following rights and privileges.

a) The right to vote on any matter at a meeting of the membership of the Corporation as provided in these By-Laws.

b) The right to assign his rights and privileges hereinafter specified for the use and enjoyment or property and facilities of the Corporation only to the following persons: Grantees of title to the lot owned by such member.

    a. The rights and privileges to such assignee as herein designated are subject to suspension to the same extent as privileges extended to any assigning member.

c) The right to review upon request any minutes of any meeting required to be kept by the Secretary of the Corporation as set forth in these By-Laws.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Seal

The Corporate seal of the Corporation shall consist of two concentric circles between which is the name of the Corporation and in the center of which is inscribed "SEAL"; and such seal as impressed on the margin hereof, is hereby adopted as the Corporate Seal of the Corporation.

(Corporate Seal)

Section 2. Waiver of Notice

Whenever any notice is required to be given by any member or director by law, by the Charter of by these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Fiscal Year

The fiscal year of the Corporation shall be from the 1st day of January of each year to the 31st of December of the same year.

Section 4. Amendments

Except as otherwise provided herein, these by-laws may be amended or repealed and new By-Laws may be adopted by affirmative vote of all of the Directors then holding office at any regular or special meeting of the Board of Directors, or in the alternative, by the affirmative vote of a majority of the membership at any regular or special meeting of the membership of the Corporation.

The Board of Directors shall have no power to adopt by By-Law any provision contrary to Chapter 55A of the General Statues of North Carolina.

No By-Law adopted or amended by membership shall be amended or replaced by the Board of Directors except to the extent that the By-Law expressly authorizes its amendment or repeal by the Board of Directors.

Duly adopted this 21st day of September, 2017.

Brian E. Smith

Secretary