

**BY-LAWS OF  
HURRICANE RIDGE PROPERTY OWNERS ASSOCIATION, INC.  
A NORTH CAROLINA NON-PROFIT CORPORATION**

**(As amended October, 2004)**

**ARTICLE II**

**IDENTITY**

These are the Bylaws of the HURRICANE RIDGE PROPEERTY OWNERS ASSOCIATION, INC., a North Carolina non-profit corporation, (the "Association").

For the purpose of these Bylaws, terms specifically defined or referenced in the Articles of Incorporation for the Association or the North Carolina Non-Profit Corporation Act, Chapter 55A, North Carolina General Statutes (the "Act"), shall have the same meaning herein. Unless the Articles or Bylaws expressly provide otherwise, the procedures and substantive matters governing the Association can be determined by reference to the Act.

**ARTICLE II**

**DEFINITIONS**

**2.1** Community property. All of the assets, both real and personal, owned by the Association.

**2.2** Developer. Hurricane Ridge Ltd., its successors and/or assigns.

**2.3** Hurricane Ridge Property Owners Association, Inc., ("HRPOA"). The property owners association referenced in the restrictive covenants for the Development of Hurricane Ridge, Sections A, B and C.

2.4 Development. Platted lots within Hurricane Ridge, Sections A, B and C as shown on plats recorded in Plat Cabinet B, slides 221, 237, 247, 257, 291, and 367G, all of the Haywood County, N.C. Register's Office.

2.5 Immediate Family Member. Spouse, mother, father, brother, sister, or child of the designated lot owner or the spouse of any such relative.

### **ARTICLE III**

#### **QUALIFICATIONS AND RESPONSIBILITIES OF MEMBERS**

3.1 Member of the Association. Each person, real, corporate, or governmental agency acquiring title to any lot in the development shall automatically become a member of the Association at the time title to the lot is acquired.

3.2 Each member by acquiring title covenants and agrees to be bound and abide by all of the terms of the Notice of Restrictions and easements on Real Estate, as amended, and recorded in the Land Registry of Haywood County, North Carolina, as well as all rules and regulations promulgated by this non-profit corporation.

3.3 More Than One Owner. Subject to the right to vote conditions set forth in Article V below, when there is more than one owner of a lot, all such persons shall be members of the Association.

3.4 Registration. It shall be the duty of each member to register his or her name and mailing address with the Secretary of the Association. If said member does not so register, the member shall not be entitled to vote on Association business and the Association shall be under no obligation to recognize the privileges of being a member.

3.5 Prohibition of Assignment. The interest of a member in the Association assets cannot be transferred or encumbered except as an appurtenance to his lot.

## **ARTICLE IV**

### **PURPOSE AND DUTIES OF THE ASSOCIATION**

4.1 The purpose for the Association is the acquisition, construction, management, maintenance, operation and care of the Community Property in the Development. It is intended that the Association shall be organized and operated for the sole purpose of carrying on an exempt function of a "residential real estate management association" as defined in section 528 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations promulgated there under.

4.2 The Association intends to own and operate a water utility for Sections

A and B and road system for Sections A, B, and C, and other facilities for the benefit of its paying members in accordance with the Notice of Restrictions and Easements, as amended , referred to in paragraphs 3.2 above. The Association shall have no duty to persons or entities who are not members of the Association or to members whose rights have been suspended as set forth below.

## **ARTICLE V**

### **MEMBERS' MEETINGS AND VOTING**

5.1 Place. Meetings of the members shall be held at a place designated by the Board within the development or such other place as may be necessary.

5.2 Annual Meeting. The members shall meet at least once each year on the third Saturday in October or such other date as determined by a majority of the Board as specified in the notice given pursuant to Section 5.4. At each annual meeting, the members may transact any business properly coming before them.

5.3 Special Meetings. Special meetings of the members may be called at any time by the President or by the Board, and may also be called and held within thirty (30) days after written request thereof signed by members of the Association entitled to cast at least fifty-one percent (51%) of the total votes in the Association is delivered to any officer or Director of the Association. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

5.4 Notices. Notice of all meetings of the members, stating the time and place, and accompanied by a current agenda thereof, shall be given by the President or Secretary to each member. Such notice shall be in writing, and shall be hand delivered or sent by United States mail to the members at the address designated by the member to the Secretary, at least thirty (30) days in advance of any annual meeting and at least forty-five (45) days in advance of any other meeting. Notice shall be deemed delivered when deposited in the United States mail addressed to the member at his designated address. The Association may vote or transact business on any matter at an annual meeting whether or not specific notice of said item had been given in the notice of the annual meeting. However, for special meetings, only items which were included in the meeting's notice to members can be voted upon.

5.5 Lot Ownership. A member is entitled to one vote for each lot owned for which dues are paid. Lots, for which dues are waived, such as non-permittable lot, can not vote. When there is one member who owns a particular lot (i.e. husband and wife), said owners shall designate in writing the individual authorized to vote for said lot.

5.6 Members Entitled to vote. Any lot owner in the development who is current on all dues, assessments, special assessments and contractual obligations to the Association.

5.7 Quorum: adjournment if no Quorum. A quorum shall consist of members who are entitled to vote and are present, in person or by proxy, entitled to cast at least twenty-five percent (25%) of the total votes. If a quorum is not established, the meeting may be adjourned from time to time until a quorum is present.

5.8 Manner of Casting Votes. Votes may be cast in person or by proxy. A proxy must be in writing, signed by all owners of the applicable lot. The proxy must be given to another Association member or immediate family member who is designated to cast the votes which are the subject of the proxy, and the proxy must be filed with the Secretary at least 30 minutes before the meeting convenes. Items covered by Section 6.13 (a) and (i), and specific issues known in advance of the Notice in Section 5.4 above will be enumerated for specific vote on Proxy forms. A proxy shall be valid until revoked in writing by all owners of such lot.

5.9 Required Votes. Once a quorum is established, all questions shall be decided by a majority of the votes cast, unless the provisions of applicable law, Restrictions and easements, Hurricane Ridge subdivision, the Articles or these Bylaws require a greater vote.

5.10 Action by Members Without Meeting. Any action that may be taken at a meeting of the members, may be taken without a meeting if such action is authorized in writing, setting forth the action taken, and is signed by all members who have filed addresses with the Secretary, or if such action is taken in any other manner permitted by law.

5.11 Prohibition of Cumulative Voting. There shall be no cumulative voting.

## Article VI

### DIRECTORS

6.1 Number and Qualifications of Directors. The Board shall consist of seven (7) natural persons. There shall be on the Board at least one lot owner Director who owns property in Section A, Hurricane Ridge, and one who owns property in Section B, Hurricane Ridge. Directors may be immediate family members designated by lot owner or corporate or governmental designees.

6.2 Election of Directors. Subject to 6.1 and 6.2 above, Directors shall be elected by majority vote at the next annual meeting following the expiration of their term.

6.3 Term. The terms of the Directors shall be for periods of three years and will continue to be staggered and the successors to the initial Board shall be elected to terms of three (3) years each. Any Director may serve consecutive terms. Once elected, a Director shall hold office until his successor has been duly elected and has qualified.

6.4 Removal. Any Director may be removed, with or without cause, by a vote of at least sixty-six and two-thirds percent (66 2/3%) of the members entitled to vote, at a special meeting called for such purpose. A successor Director shall be appointed for the unexpired term by a majority vote of the Association.

6.5 Vacancies. Any vacancy in the Board arising by death or resignation of a Director shall be filled by act of the remaining Directors and a Director so elected shall serve for the unexpired term of his predecessor in office.

6.6 Regular meetings. Regular meetings of the Board may be held at such

time and place as shall be determined by a majority of the Directors. Regular or Special Meetings by means of a conference telephone or similar communication device are permissible as long as the required notice is given. Notice of regular meetings shall be given to each Director, personally or by mail, telephone , instant messaging, or e-mail at least seventy-two (72) hours prior to the meeting.

6.7 Special Meetings. Special meetings of the Board may be called by the President or the Secretary by two (2) Directors giving notice of the request to the President or Secretary. Not less than seventy-two (72) hours notice of such special meeting shall be given personally or by mail, telephone, or e-mail to each Director; provided that in case the President or any Director determines that an emergency exists, a special meeting may be called by giving such notice as is possible under the circumstances. All notices of a special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

6.8 Quorum: Adjournment if No Quorum. Two thirds of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum is not present, the meeting may be adjourned from time to time until a quorum is present. The minutes of the meeting shall list the names of the Directors present and that the presiding officer declared a quorum present.

6.9 Manner of Acting. Each Director shall be entitled to one (1) vote. The act of a majority of the Directors present at a meeting shall constitute the act of the Board unless the act of a greater number is required by the provisions of applicable law, the Articles or these Bylaws.

6.10 Board Action Without Meeting. Any action that may be taken at a meeting of the Board may be taken without a meeting if such action is authorized in writing, setting forth the action taken, signed by two-thirds (2/3) of the Directors.



6.11 Compensation of Directors Restricted. Directors shall receive no compensation for their services but may be reimbursed for out-of-pocket expenses incurred in the performance of their duties as Directors.

6.12 Powers and Duties of Board. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the common law, applicable statutes, the Act, the Articles and these Bylaws, as any thereof may from time to time be amended. Such powers and duties shall be exercised in accordance with the provisions of applicable law, the Articles and these Bylaws, and shall include, but not be limited to the following:

- (a) To prepare and provide to members an Annual Report prior to April 1 of the following year containing at least the following:
  - (i) A statement of any capital expenditures in excess of two percent (2%) of the current budget or One Thousand Dollars (\$1,000.00), whichever is greater, anticipated by the Association during the current year or succeeding two (2) fiscal years.
  - (ii) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the Board.
  - (iii) A statement of the financial condition of the Association for the last fiscal year.
  - (iv) A statement of the status of any pending suits or judgments in which the Association is a party.
  - (v) A statement of the insurance coverage provided by the

Association.

(vi) A statement of any unpaid assessments payable to the Association, identifying the delinquent lot Owner(s) and the amount of the unpaid assessments. All members do hereby acknowledge that this reporting of unpaid assessments shall not constitute a violation of any federal or state unfair debt collection laws.

(vii) The names of the officers of the Corporation.

(viii) The minutes of annual and any called meetings of the property owners.

(ix) The Audit report.

(b) To adopt and amend budgets and to determine, and collect assessments to pay the Common Expenses as that term is more particularly defined in Section 10.10.

(c) To regulate the use of, and to maintain, repair, replace, modify and improve the Community Property.

(d) To adopt and amend rules and regulations and to establish reasonable penalties for infraction thereof.

(e) To enforce the provisions of the Articles, these Bylaws, the Act, the Association rules and regulations and the restrictive covenants for the development by all legal means, including injunction and recovery of monetary penalties.

- (f) To hire and terminate agents and independent contractors.
- (g) To institute, defend, intervene in or settle any litigation or administrative proceedings in its own name on behalf of itself or two (2) or more lot owners on matters affecting the Community Property.
- (h) To establish and dissolve and liquidate, from time to time, reserve accounts for any purpose.
- (i) To borrow money for the maintenance, repair, replacement, modification or improvement of the Community Property and to pledge and pay assessments, and any and all other revenue and income, for such purposes. Provided, however, that the encumbrancing by the Board of any portion of the Community Property shall require the assent of thirty percent (30%) of the members entitled to vote.
- (j) To buy lots in foreclosure of an assessment lien, or at any other time or for any other reason, and to sell, lease, mortgage and otherwise deal in lots from time to time owned by the Association.
- (k) To impose and receive payments, fees and charges for the use, rental or operation of the Community Property.
- (l) To grant leases, licenses, concessions and easements through and over the Community Property.
- (m) To impose and collect reasonable charges, including reasonable costs and attorneys' fees, for the enforcement of any use restrictions or

rules and regulations set forth in these Bylaws.

- (n) To provide for indemnification of the Association's officers and Directors and maintain officers' and Directors' liability insurance.
- (o) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of these Bylaws or the rules and regulations.

## **ARTICLE VII**

### **OFFICERS**

7.1 Designation of Officers. The officers of this Association shall be a President, a Vice President, a Secretary and a Treasurer. Each officer shall be a member or the individual nominee of a member which is other than an individual. A person may hold one or more such offices at one time, except that the President shall not at the same time hold another office in the Association. The Board may elect an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary.

7.2 Election of Officers. Officers of the Association shall be elected by the Board. Elections shall be held every year at the first meeting of the Board held after the annual meeting of the members. The names of the elected officers shall be reported to the members in the Annual Report.

7.3 Term. Each officer shall serve until his successor has been duly elected and has qualified. The names of the elected officers shall be reported to the members in the Annual Report.

7.4 Removal. Any officer may be removed, with or without cause, and

without notice, by the Board.

7.5 Vacancy. Any vacancy in any office shall be filled by the Board, and an officer elected to fill a vacancy shall serve for the unexpired term of his predecessor in office.

7.6 Powers and Duties of Officers.

- (a) President. The President shall be the chief executive officer of the Association; shall have all of the powers and duties incident to the office of a president of a corporation, including, but not limited to, the duty to preside at all meetings of the Board and of the members, and the general supervision of officers in the management of the business and affairs of the Association; and shall see that all actions and resolutions of the Board are carried into effect.
- (b) Vice President. The Vice President shall perform such duties of the President as shall be assigned to him by the President, and in the absence of the President shall perform the duties and functions of the President.
- (c) Secretary. The Secretary shall keep the minutes of all meetings and actions of the Board and of the members; shall give all required notices to the Directors and members; shall keep the records of the Association, except those kept by the Treasurer; shall perform all other duties incident to the office of the secretary of a corporation; and shall perform such other duties required by the Board or the President. Copies of the minutes of all Annual and Called meetings of the members shall be included by the Secretary in the Annual Report.

(d) Treasurer. The Treasurer shall have custody of all intangible property of the Association, including funds, securities and evidences of indebtedness; shall keep the books of the Association in accordance with good accounting practices and principles and, upon request, shall submit them, together with all vouchers, receipts, records and other papers to the Board for examination and approval; shall deposit all monies and other valuable effects in depositories designated by the Board; shall disburse funds of the Association as directed by the Board, and shall perform all other duties incident to the office of a treasurer of a corporation.

7.7 Execution of Agreements, Etc. All agreements, deeds, mortgages or other instruments shall be executed by the President or Vice President with an attest by the Secretary (or Assistant Secretary if appointed), or by such other person or persons as may be designated by the Board. The President shall not have the legal authority to convey any portion of or rights in the Community Property, except by the assent of fifty-one percent (51%) of the members entitled to vote.

7.8 Compensation of Officers Restricted. No officer shall be compensated for their service in such capacity, but may be reimbursed for out-of-pocket expenses incurred in performing his duties.

## **ARTICLE VIII**

### **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Association shall indemnify such persons, for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as permitted by the North Carolina General Statutes, as now enacted or hereafter amended. In addition, the Association is authorized to maintain Officers and

Directors Liability Insurance,

## **ARTICLE IX**

### **FISCAL MANAGEMENT**

9.1 Depository. The Board shall designate a depository for the funds of the Association, and may change such depository at any time. Withdrawal of funds from such depository shall be only by checks signed by the Treasurer of the Association, or any other persons authorized by the Board. A second member of the Board, designated by the President, shall monitor/oversee the checking account monthly by electronic access.

9.2 Accounting. The Board shall keep and maintain separate accounting for (a) road maintenance, (b) water utility operations and maintenance and (c) capital improvements. An account for "capital improvements" shall include, but not limited to, monies for the paving of roads, the construction of recreational facilities, the construction of additional water well (if any), extension of water mains and pumps, the enlargement of water reservoirs, and other additions to the water or road system as required by State and Federal Authorities.

9.3 Fidelity Bond. Fidelity bonds shall be maintained by the Association, in an amount determined by the Board, covering each director and officer of the Association, any employee or agent of the Association and any other person handling or responsible for handling funds of the Association.

9.4 Payment Vouchers. Payment vouchers shall be approved by the Board, provided that the Board may delegate such authority to any officer of the Association.

9.5 Audit. An audit of the accounts of the Association shall be made

annually after the close of the fiscal year by a disinterested third party approved by the Board. A copy of said audit shall be furnished to each member in the Annual Report.

9.6 Fiscal Year. The fiscal year of the Association shall be from January 1 to December 31, provided that the Board, from time to time, by resolution, may change fiscal year to some other designated period.

## **ARTICLE X**

### **ASSESSMENTS, DEFAULT AND ENFORCEMENT**

10.1 Obligations of Members to Pay Assessments: Amount of Levy. Each member shall be responsible for paying annual assessments as provided for in this Article and/or special assessments as set forth below for the maintenance, upkeep, preservation and improvement of the Community Property, consistent with the Notice of Restrictions and Easements, as amended and recorded. Assessments shall be pro-rated for both lots and homes.

10.2 Creation of the Lien and Personal Obligation Assessments. All such annual and special assessments, together with interest, costs and reasonable attorney's fees for the collection thereof shall be a charge and lien upon a member's lot and its improvements. The amount owed shall be continuing lien upon the applicable property against which such assessment is made. Said lien shall not abrogate vested rights or other rights superior to said lien resulting from recorded laws of the State of North Carolina. Each such assessment, together with interest, costs and reasonable attorney's fees for the collection thereof, shall also be a personal financial obligation of the person, or persons, who was, or were, the owner of a lot at the time when the assessments became due. The personal financial obligation for delinquent assessments shall not pass to successors in title to any such lot unless expressly assumed by such purchaser. Provided, however, the same



shall be and remain a charge and lien as permitted by Law upon any such lot and its improvements until paid or otherwise satisfied, and shall take priority, once levied, over all other liens, except for purchase money, deeds of trust and local real estate taxes.

10.3 Purpose of Assessments. The assessments levied by the Association shall be used for the purposes in keeping with a nonprofit corporation as set forth with more particularity in the Association's Articles of Incorporation.

10.4 Preparation of Budget and Levying of Assessment. For each fiscal year, beginning with the fiscal year commencing April 1, 1999, the Board shall prepare and adopt a budget, including therein estimates of the amount necessary to pay the Common Expenses, together with amounts considered necessary by the Board for reserves. After preparation and adoption of each such budget, the Board shall provide each member with a copy, and shall give each member notice of the assessment made against that member's lot based upon such budget and may also state the interest to be charged on delinquent payments thereof. The assessment shall be deemed levied upon the giving of such notice as provided in Section 12.6 below.

10.5 Payment of Assessments. Assessments shall be payable when notice thereof is given, but shall not be delinquent if paid at the times and in the amounts specified by the Board in the notice of assessment. Payments shall be made to the Association, or as the Board may from time to time otherwise direct.

10.6 Special Assessments. In addition to the assessments levied pursuant to Section 10.4, the Board, in its discretion, may levy special assessments at such other and additional times as in its judgment are required for:

- (a) Maintenance, repair, restoration and reconstruction of Community Property.

- (b) Alterations, improvements and additions to the Community Property.

Special Assessments made pursuant to this Section shall be in accordance with the Notice of Restrictions and Easements, as amended.

10.7 Failure to Prepare Budget and Levy Annual Assessment: Deficiencies in Procedure. The failure of the Board in preparing any budget, and to levy or in levying assessments, shall not constitute a waiver or release of the members' obligation to pay assessments whenever the same shall be determined and levied by the Board. Until a new assessment is levied by the Board pursuant to Section 10.4, each member shall continue to pay the assessment previously levied pursuant to Section 10.4 in the same amount and at the same periodic times as levied, or as the Board may otherwise advise in writing. Also, any deficiencies or inadequacies in the procedure followed by the Board in levying an assessment shall not in any way affect its validity or the obligation of members to pay such assessment.

10.8 Certificate. The Association, upon written request, shall furnish to a member, or his authorized agent, a recordable certificate setting forth the amount of unpaid assessments currently levied against his lot. The certificate shall be furnished within seven (7) business days after receipt of the request and shall be binding upon the Association and all members. For such a certificate, a reasonable fee may be charged by the Board.

10.9 Default and enforcement. Any assessments which are not paid when due as determined by the notice of assessment 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 the delinquency until paid at the rate of twelve percent (12%) per annum, and the Association may bring action at law against the member personally obligated to pay the same, or foreclose the lien against his

property, and interest, costs and reasonable attorney's fees of any such action for collection thereof shall be added to the amount of such assessment. The available enforcement remedies include, but are not limited to, those lien rights stated under Article 2 of Chapter 44A of the North Carolina General Statutes or by any proceeding at law or equity against the delinquent member's property to enforce any lien created by these Bylaws. No member may waive to otherwise escape liability for the assessments provided for herein by non-use of the Community Property or facilities or abandonment of his lot. All payments upon account shall be applied first to interest and then to assessment, or installment thereof, longest delinquent. All such interest shall have the same priority as the assessment on which such interest accrues.

10.10 Common Expenses. Common Expenses shall include, without limitation, the following: road maintenance, security, real estate taxes ,and other governmental assessments or charges against the Community Property; expenses associated with the maintenance, repair, replacement, and expansion of the water system as that term is defined in Section 12.2 below; development of Community Property; premiums for any and all insurance maintained by the Association, including any deductible or coinsurance amount not covered by insurance; legal and accounting fees; reimbursable expenses of officers and directors; costs and expenses incurred in connection with any litigation or administrative proceeding regarding the Community Property; deficits remaining from any prior assessment period; the cost, including fees and interests, incurred in connection with any borrowing done by the Association; the cost of all fidelity bonds; costs imposed upon the Association or incurred by the Association as a result of the performance, enforcement or amendment of, any agreement or easement to which the Association is a party or to which the Community Property, or any part of either thereof, is or may be subject; amounts determined necessary for reserve funds; and indemnity payments made by the Association pursuant to Article VIII hereof. Section C is excluded from water system and related expenses, and development of Community Property.

10.11 Injunctive or Other Enforcement Relief. For violations of the rules and regulations of these Bylaws, or the Restrictive Covenants, the Association may bring an action to enjoin the violating act or any other action provided by law and any costs, including reasonable attorney's fees, incurred by the Association are recoverable from the responsible member.

10.12 Suspension of Use of Community Property and Voting Rights. Upon ten (10) days notice, the Association may deny or restrict the use of Community Property or water service and suspend voting rights of all members who are delinquent on any obligation or assessment set forth in these Bylaws or who violate any rules promulgated under the authority stated herein. Said suspension or restriction shall last until the delinquency or violation is cured. Once suspended, reinstatement of privileges and rights in the Association shall cost the violating member a flat fee of one thousand dollars (\$1,000.00). The Association may without the requirement for any additional authorization enter the property of any owner in any manner reasonably necessary to enforce the above.

10.13 Nonwaiver of Covenants. The failure of the Association or of any member thereof to enforce any term, provision, right, covenant, or condition that may be granted by these Bylaws, the Articles, the rules and regulations or the Act, as the same may from time to time be amended, shall not constitute a waiver or abrogation of the right of the Association or a member to enforce such term, provision, right, covenant, or condition in the future, irrespective of the number of violations or breaches thereof that may have occurred.

## **ARTICLE XI**

### **AMENDMENT**

Amendment of Bylaws may occur only at a meeting of the members and subsequent to providing thirty (30) days notice to the members of the proposed

changes by mailing said notice as provided in Section 12.6 below. An affirmative vote of a majority of the members is needed to amend the Bylaws.

## ARTICLE XII

### GENERAL PROVISIONS

#### 12.1 Rules and Regulations.

- (a) By the Board. The Board may promulgate from time to time such rules and regulations as it deems reasonable and necessary governing the administration, management, operation and use of the Community Property so as to promote the common use and enjoyment thereof by members and their guests, and for the protection and preservation thereof.
- (b) By the Association. Any such rule or regulation adopted by the Board may be amended, modified or revoked, and new and additional rules and regulations may be adopted by an affirmative vote at an annual or special meeting. Any such act of the members shall control over any contrary rule or regulation then or thereafter adopted by the Board.
- (c) Copies Furnished. Copies of all such rules and regulations and any amendments thereto shall be furnished to all members. However, failure to make available such rules or regulations shall not affect in any way their validity or enforceability.
- (d) Rules Hereby Established. The use of Community Property is limited to members and guests.

12.2 Water System. The "water system" of the Association is the real and personal property referenced in that certain deed from Hurricane Ridge, Ltd. Recorded in Deed Book \_\_\_\_\_, at Page \_\_\_\_\_, of the Haywood County, N.C. Register's Office and as further delineated on plans by \_\_\_\_\_, dated \_\_\_\_\_, on file with the Association. Any extension of the water system and/or tap-on by a member of the Association or non-member may be made only with Board approval and the costs of said extension and tap-on shall be borne solely by the party requesting such improvements. Any extension of the water system will be accomplished in accordance with plans approved by the Board and such extension shall, upon demand of the Board, become the property of the Association. The Association shall not own or be responsible for the maintenance, upkeep and/or replacement of water lines connecting a house or other structure to the water system.

12.3 Parliamentary Authority. Robert's Rules of Order, Newly Revised, shall govern the conduct of Association proceedings when not in conflict with these Bylaws, the Articles, the Act, or any statutes of the State of North Carolina.

12.4 Compliance with the Act; Conflict; Severability. These Bylaws are established in compliance with the Act, as amended. Should any of the terms, conditions, provisions, paragraphs or clauses of these Bylaws conflict with any of the provisions of said Act, the provisions of said Act shall control, unless the Act permits these Bylaws to override the Act, in which event these Bylaws shall control. If any term, provision, limitation, paragraph or clause of these Bylaws, or the application thereof to any person or circumstance, is judicially held to be invalid, such determination shall not affect the enforceability, validity or effect of the remainder of these Bylaws, or the application thereof to any other person or circumstance.

12.5 Corporate Seal. An impression of the Corporate Seal of the Association is affixed hereto. Said seal shall be sufficient if it states "Corporate Seal" and is circular in style. Said seal shall also be considered the official seal if around the

circular edge thereof the words "Hurricane Ridge Property Owners Association, Inc." are used.

12.6 Notices. Whenever in the Act or these Bylaws it shall be required or permitted that notice or demand be given or served on the Association or other party entitled to notice, such notice or demand shall be given in writing by registered or certified mail, postage prepaid, to the respective addresses as hereinafter set forth. All notices or demands provided under the terms of the Act or these Bylaws shall be effective when actually received by a party entitled to notice or when attempted to be delivered as authorized above. The addresses of a party entitled to notice may be changed, from time to time, by either party serving notice as above provided:

MEMBER: THE ADDRESS GIVEN AND ON FILE WITH THE ASSOCIATION.

ASSOCIATION: Hurricane Ridge Property Owner's Association, Inc.  
P.O. Box 18143  
Macon, Georgia 31209

12.7 Interpretation of Bylaws. These Bylaws are set forth to comply with the requirements of the Act. In the event that any of these Bylaws conflict with the provisions of the Act, it is hereby agreed that the provisions of the Act will apply.

