

**BYLAWS OF
PEAKS DEVELOPMENT PROPERTY OWNERS ASSOCIATION, INC.**
(A North Carolina non-profit organization)

1. Title

- 1.1. The name of this corporation shall be the Peaks Development Property Owners Association.
- 1.2. The purposes of this organization shall be as follows:
To foster and maintain, through joint effort, the entrance, roads and common areas of The Peaks.
- 1.3. This corporation is organized exclusively for the well-being of The Peaks.
- 1.4. The registered agent of the corporation shall be assigned by the Board of Directors.
- 1.5. The location and principal office of this organization shall be:
451 North Main Street, Suite B
P.O. Box 308
Sparta, NC 28675
- 1.6. The location and principal office of this organization may be changed by the Board of Directors, effective upon filing the appropriate certificate with the Secretary of State.

2. Not for Profit Status

The corporation shall not be operated for profit. There shall be no distribution of cash by way of interest, dividends, or otherwise to any individual or group other than clients. There shall be no members or stockholders. Should there be an accumulation of funds in excess of the actual necessary operating costs during any operating period, such accumulated cash shall be held and applied to operating costs during subsequent operating periods.

3. Definitions

- 3.1. "Corporation" shall mean and refer to the Peaks Development Property Owners Association.
- 3.2. "Board" shall mean and refer to the Board of Directors of the Peaks Development Property Owners Association.
- 3.3. "Director" or "Directors" shall mean and refer to members of the Board.
- 3.4. "The Peaks" shall mean and refer to The Peaks Subdivision, Ashe County, N.C.

4. Membership

- 4.1. Membership. Each owner of a lot in The Peaks shall be a Member of the corporation and no other person or entity shall automatically be entitled to membership. No member has the voting right if annual association fees are not paid current.
- 4.2. All members of the corporation shall abide by the Restrictive Covenants and Restrictive Agreement Affecting the Peaks recorded in Record Book 156 page 624 and Book 247 pages 2379-2381 in the Registers' Office for Ashe County, North Carolina.

5. Meetings of Members

- 5.1. Place of Meetings. Meetings of the members of the association may be held at a place to be determined by the Board of Directors
- 5.2. Annual Meeting. An annual meeting shall be held each year by the members of the association. Written notice of the meeting place, date and time shall be provided from the Board of Directors.

- 5.3. Special Meeting. Special meetings of the members, for any purpose or purposes, may be called by the president, or the Board of Directors. Business transacted at all special meetings shall be confined to the object stated in the notice of special meetings.
- 5.4. Notice. Written or printed notice stating the place, date, and time of the meeting and, in the case of a special meeting, the purpose(s) for which the meeting is called, shall be delivered not less than fifteen (15) days before the date of the meeting, either personally, by mail or by email by or at the direction of the president, secretary or the officer calling the meeting, to each Member of the corporation entitled to vote at such meeting.
- 5.5. Quorum. The presence in person, via phone, or by proxy of more than fifty (50) percent of the votes entitled to be cast at a meeting of the Members shall constitute a quorum at all meetings of the Members for the transaction of business.
- 5.6. Majority Vote; Withdrawal of Quorum. When a quorum is present at any meeting, the vote of the holders of more than fifty percent (50%) of those votes entitled to be cast of Members qualified to vote and present in person, on the phone, or by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Charter of the corporation or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.
- 5.7. Method of Voting; Proxies. Each Member shall be entitled to a vote for each Lot owned by such Member. No Member shall be entitled to vote at any meeting of the corporation until such Member has presented evidence of ownership, fees paid current, of a Lot in The Peaks to the Board of Directors. The vote of each Member may be cast by such Member or by a proxy given by such Member to his authorized representative bearing a date not more than six months prior to such meeting. Such proxy shall be filed with the secretary of the corporation prior to or at the time of the meeting. If title to a Lot shall be in the name of two or more persons as Co-owners, all of such persons shall be Members of the corporation and are referred to herein as "Joint Co-Owners". Any one of such Joint Co-Owners may vote at any meeting of the Members of the corporation and such vote shall be binding upon such other Joint Co-Owners who are not present at such meeting until written notice to the contrary has been received by the Board of Directors in which case the unanimous vote of all such Joint Co-Owners (in person or by proxy) shall be required to cast their vote as Members. If two or more of such Joint Co-Owners are present at any meeting, their unanimous action shall also be required to cast their vote as Members of the corporation.
- 5.8. Cumulative Voting Denied. Cumulative voting for Directors shall not be permitted.

6. Board of Directors

- 6.1. Management. The business and affairs of the corporation shall be managed by its Board of Directors who may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute, the Restrictive Covenant, or these Bylaws, directed or required to be exercised or done by the Members. The powers of the Board include the power to elect or appoint all necessary officers or committees; to employ an Executive Director and any such other employee(s) as shall be necessary to conduct the business of the corporation; to fix the compensation and benefits of such persons; to prescribe the duties of such persons; to dismiss any appointed officer and generally to control the affairs of the corporation.
- 6.2. Number; Qualifications. The Board shall consist of a minimum of three (3) and not more than seven (7) Directors, each of whom shall be a Member of the Association.

- 6.3. Elections; Term. Each Director shall serve a term not to exceed 3 years. The terms of the directors shall be staggered so that the term of one-third (1/3) of the directors shall expire each year. Each director shall hold office until death, resignation, removal, disqualification, expiration of term or until a successor is elected and qualified.
- 6.4. Removal; Change in Number; Vacancies. Any Director may be removed either for or without cause, at any special meeting of the Members of the corporation by the affirmative vote of a majority of the Members present or by proxy at such meeting and entitled to vote. If notice of the intention to act upon such matter has been given in the notice calling such meeting. If any vacancy occurs in the Board, caused by death, resignation, retirement, disqualification or removal from office of any Director or otherwise, a successor or successors may be chosen at a special meeting of the Board called for that purpose, and each successor Director so chosen shall be elected for the unexpired term of his predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by election at any annual meeting of Members or at a special meeting of Members called for that purpose.
- 6.5. Place of Meetings. The Board shall hold their meetings, both regular and special, within Ashe County, N.C. unless a different location is agreed upon by the Board.
- 6.6. Annual Meetings. The annual meeting of the Board shall be held without further notice immediately following the annual meeting of the Members unless by unanimous consent of the Directors then elected and serving such time or place shall be changed.
- 6.7. Regular Meetings. Regular meeting of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.
- 6.8. Special Meetings. Special meetings of the Board may be called by the president on a three (3) day notice to each Director, either personally, by mail or by email. Special meetings of the Board may be called by the president or secretary in a similar manner at the request of two (2) Directors.
- 6.9. Quorum. At all meetings of the Board the presence of a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business. The act of a majority of the Directors present at any such meeting at which there is a quorum shall be the act of the Board. Meetings can be adjourned if a quorum is not present.
- 6.10. Committees. The Board may designate an Architectural Control Committee and a Nominating Committee for members of the Board of Directors. Other committees may be designated and appointed by a resolution adopted by the majority of the Directors. Membership on such committees shall be limited to Members of the corporation. At least one (1) Director shall be a Member of each committee. No committee has Board authority.
- 6.11. Procedure. All committees shall keep regular minutes of their proceedings and shall report to the Board when required.
- 6.12. Managing Agents. The Board may employ for the corporation a management agent at a compensation established by the Board and such management agent shall perform such duties and services with respect to The Peaks as the Board shall authorize, and the Board may delegate to such management agent such duties with respect to management, repair, and maintenance of The Peaks which are not by statute, or these Bylaws, required to be performed by or have the approval of the Board or the Members of the corporation.
- 6.13. Vendors and Independent Contractors. All persons employed by the Board shall be required to be properly insured with a liability policy, workers compensation insurance and any other insurance to

protect the employees of the vendor or independent contractors. Proof of such insurance must be provided to the Board before any work begins on property owned by the Corporation.

7. Officers

- 7.1. Number; Titles. The officers of the corporation shall be elected by the Directors from among the Board of Directors and shall be a president, vice president, secretary, and treasurer. Any two (2) or more offices may be held by the same person except the offices of president and secretary shall not be held by the same person.
- 7.2. Election. The Board of Directors at its first meeting after each annual meeting of the Members shall choose a president, vice president, secretary and treasurer, all of whom shall then be members of the Board.
- 7.3. Other Officers. The Board of Directors may appoint such officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined by the Board.
- 7.4. Salaries. The salaries of all officers of the corporation, if any, shall be fixed by the Board of Directors.
- 7.5. Term of Office. Each officer of the corporation shall hold office until the annual meeting of the Board of Directors following his election and thereafter until his successor is chosen and qualified in his stead or until his death, resignation, or removal from office.
- 7.6. Removal. Any officer or agent of the corporation elected or appointed by the Board of Directors may be removed by a majority vote of the Board.
- 7.7. Duties of Officers.
- President. The president shall be the chief executive officer of the corporation; he shall preside at all meetings of the Members and the Board of Directors, shall have general and active management of the affairs of the corporation, shall see that all orders and resolutions of the Board are carried into effect, and shall perform such other duties as the Board of Directors shall prescribe.
- Vice President. The vice president shall in the absence or disability of the president perform the duties and exercise the power of that office and shall perform such other duties as the Board of Directors shall prescribe.
- Secretary. The secretary shall keep accurate records of the acts and proceedings of all meetings of the Board of Directors and meetings of the Members; shall give, or cause to be given, notice of meetings of the Members and of the Board of Directors as required by these Bylaws, and shall perform all duties as prescribed from time to time by the Board of Directors.
- Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as treasurer and of the financial condition of the corporation, and shall perform such other duties as the Board of Directors may prescribe. If required by the Board of Directors, he shall give the corporation a bond in such form, in such sum, and with such surety as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement, or removal from office, of

all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

8. Notices

8.1. Method. Whenever notice is required to be given to any Director or Member, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, by mail (postage prepaid) or email, addressed to such Director or Member at such address as appears on the records of the corporation.

9. Miscellaneous Provisions

9.1. Reserves. There may be created by resolution of the Board such reserves as the Directors think proper to provide for contingencies, or to repair or maintain any portion of The Peaks or for such other purposes as the Directors shall think beneficial to the association, and the Directors may modify or abolish any such reserves in the manner in which it was created.

9.2. Checks. All checks or demands for money and notes of the association shall be signed by such officers or such other persons as the Board of Directors may designate.

9.3. Fiscal Year. The fiscal year of the corporation shall be fixed by the Board of Directors.

9.4. Seal. The corporate seal, if any, may be determined by the Board of Directors.

9.5. Indemnification. The corporation shall indemnify any active or former Director, officer, or employee of the corporation against expenses actually and necessarily incurred by him, and any amount paid in satisfaction of judgements, in connection with any action, suit or proceeding, whether civil in nature, in which he is made a party by reason of being or having been such Director, officer or employee (whether or not a Director, officer or employee at the time such costs or expenses are incurred by or imposed upon him) except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The corporation may also reimburse to any Director, officer or employee the reasonable cost of settlement of any such action, suit or proceedings, if it shall be found by a majority of a committee of the Directors not involved in the matter of controversy, whether or not a quorum, that it was to the interests of the corporation that such settlement be made and that such Director, officer, or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director, officer, or employee may be entitled by law or under bylaw, agreement, vote of Members or otherwise.

9.6. Amendment of Bylaws. These bylaws may not be altered, amended, or repealed except by the affirmative vote of more than fifty percent (50%) of those votes entitled to be cast by Members qualified to vote.

9.7. Rules & Regulations. Be it established that the following rules and regulations shall be adopted as part of these Bylaws, for the Members of the corporation to adhere to:

Property is POSTED, PRIVATE PROPERTY, NO TRESPASSING, HAVE RESPECT FOR IT ...

No Hunting of games of any species; No Fishing (except for Members in commons area pond)

NO ATV's, dirt bikes

Any existing homeowner currently having an ATV on their property will be grandfathered in and allowed to have and operate such vehicle until the homeowner no longer owns said vehicle. A description (color, make and model) must be provided to PDPOA in order for grandfathering to take effect.

The board from time to time may have the power to designate the use of an ATV in the Peaks by an individual for the purpose of patrolling, policing or maintenance of the property.

Max safe road speed in The Peaks shall be 15 mph

Travel at your own risk, roads maintained by PDPOA, Inc.
No Littering, No Dumping

VOLATORS WILL BE PROSECUTED TO THE FULLEST EXTENT OF THE LAWS OF N.C.

9.8. This corporation shall maintain an umbrella insurance policy of a minimum of one million dollars.