

BYLAWS OF GRIMESDALE HOMES ASSOCIATION, INC.
A NONPROFIT CORPORATION
Revised and Adopted March 2016

ARTICLE I. OFFICES

The principal office of the Association in the State of North Carolina shall be located in the Grimesdale Subdivision (hereinafter known as Grimesdale), County of Henderson, Hendersonville Township.

ARTICLE II. MEMBERS

Section 1. TYPES OF MEMBERS: The Association shall consist of Members and Associate Members. Any person or persons who shall be the owner or owners of the legal title to any real property and who shall be resident at this property in Grimesdale shall be eligible to become a Member of this Association. Tenant or Tenants and others having interest in Grimesdale may become Associate Members. Membership in the Association shall result from the previously mentioned person or persons paying the Treasurer of the Association the dues prescribed in ARTICLE X of the BYLAWS. In the case of Street Directors, if they are residents of Grimesdale they will be considered Associate Members if they are not paid up on their dues. Street Directors who have paid their dues will be either regular Members or Associate Members depending on whether they are part of families that are Grimesdale property owners or tenants.

Section 2. VOTING RIGHTS: Each Member/Household in Grimesdale shall be entitled to one (1) vote on every issue requiring a vote. Associate Members shall have no voting rights unless they are elected or appointed as Street Directors, but otherwise shall have all rights and privileges of Members.

Section 3. TERMINATION OF MEMBERSHIP: A Member who has died, resigned, or been expelled for any reason, or who has conveyed all rights, title, and interest in the real estate that is the basis of such Membership shall not thereafter have any interest in or claim upon the property or assets of the Association.

Section 4. TRANSFER OF MEMBERSHIP: Membership in the Association shall not be transferable or assignable.

ARTICLE III. MEETINGS OF MEMBERS

Section 1. ANNUAL MEETING: An Annual Meeting of the Membership shall normally be held at the Grimesdale Community Park located at the intersection of Charlyne Drive and Cheryl Drive during the annual Picnic in the Park in a spring, summer, or fall month on a weekend day when the weather and other factors favor good attendance as determined by the Board of Directors. The normal business of such meeting shall be to discuss past-year accomplishments, describe coming-year planned projects, and provide a forum for the election of Officers for the coming year. On-the-spot nominations for Officer positions will be accepted if the candidate is present or a signed statement by the nominee is presented that shows the absent nominee agrees to serve. If only one candidate is presented for any position, those present may vote to accept or oppose the election. Officer positions with multiple candidates will be recorded, and the vote will be accepted when it represents regular Members (one per household). In the event of a tie vote, a stub on the next issue of the *Gazette* will be made available for return to the Treasurer to break the tie in a runoff vote. Proposals for additions, deletions, and changes in the BYLAWS of the Association will also be accepted for future consideration by the Board of Directors.

Section 2. SPECIAL MEETINGS: Special Meetings of the Members may be called by the President, by the Board of Directors, or by written request signed by at least ten percent (10%) of the Members in good standing. Such written request shall be delivered to the Secretary and shall state the purpose or purposes for which the Special Meeting is requested.

Section 3. PLACE OF MEETING: The Board of Directors may designate any place for the Annual Meeting or for any Special Meeting called by the Board of Directors. If no designation is made, or if a Special Meeting be otherwise called, the place of meeting shall be the registered office of the Association. However, if a majority of the Member/Households shall meet at any time and any place and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 4. NOTICE OF MEETINGS: Written notice stating the place, date, and hour of any regularly scheduled meeting of Members or the Board of Directors shall be delivered by the normal distribution of the *Gazette* to all Grimesdale homes. Quarterly Board of Director meetings shall be open to Members, who may listen or speak but may not vote unless the Board of Directors specifically approve them to vote on specific issues at that meeting. In case of a Special Meeting, or when required by statute or these BYLAWS, the purpose or purposes for which the meeting is called shall be stated in the notice.

Section 5. QUORUM: Fifteen percent (15%) of the Members will constitute a quorum for a BYLAWS revision meeting if the meeting date, place, and time was previously provided to Grimesdale residents by notice in a *Gazette* distributed at least ten days before the meeting.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. STRUCTURE: The Officers and Street Directors shall constitute the Board of Directors and must be residents of Grimesdale. Officers must be Members, whereas Street Directors may be Members or Associate Members.

Section 2. GENERAL POWERS: The affairs of the Association shall be managed by the Board of Directors.

Section 3. STREET DIRECTORS: Each street or combination of streets as determined by the Board of Directors shall have a volunteer or elected representative titled Street Director whose term is until the person (or persons in case of co-street directors) either resigns or is replaced by another volunteer or elected representative for the same Street Director position. In the event a Street Director is unable or declines to serve, the Board of Directors shall appoint a successor to fill in until a new volunteer or a newly elected Street Director is ready to fill the position, and the Board of Directors shall seek a volunteer successor by putting a notice in the next issue of the *Gazette*. Should more than one volunteer for the same Street Director position occur, the President will see if either candidate is willing to withdraw in favor of the other candidate. If more than one candidate remains seeking the job, a vote will be taken during the Annual Meeting at the next Picnic in the Park in a manner similar to that of a contested Officer position.

Section 4. OFFICERS: The Officers of the Association shall be a President, Vice President, Treasurer, Secretary, and Editor. All Officers must be Members of the Association.

Section 5. PRESIDENT: The President shall be the Principal Executive Officer of the Association and shall be responsible for directing and supervising all business and affairs of the Association. He shall preside at all meetings of the Members and of the Board of Directors. He shall sign, with the Secretary or any other proper Officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has 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 BYLAWS or by statute to some other Officer or Agent of the Association. He shall perform such other duties as may from time to time be assigned to him by the Board of Directors. He shall appoint Committees as necessary.

Section 6. VICE PRESIDENT: In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of and be subject to the restrictions placed upon the President. The Vice President shall perform such other duties as may from time to time be assigned by the Board of Directors.

Section 7. TREASURER: The Treasurer shall have charge of the funds of the Association, together with all such books and papers as pertain to his office. He shall keep an accurate account of all monies received and disbursements made and shall submit reports as determined by the Board of Directors. The Treasurer may contract out the preparation of any year-end tax forms required by State or Federal laws in an amount not to exceed \$400. If required by the Board of Directors, the Treasurer shall give a bond in such sum and with such surety as the Board of Directors shall determine. The bond cost will be paid by the Association.

Section 8. SECRETARY: The Secretary shall 1) keep the minutes of all meetings of the Members and of the Board of Directors in one or more books provided for that purpose; 2) issue, or cause to be issued, all notices required by these BYLAWS or by statute; 3) be custodian of the Corporate records and of the Seal of the Association and assure that the Seal is affixed to all documents and certificates, the execution of which on behalf of the Association under its Seal is authorized by these BYLAWS; and 4) keep a register of the post office address of each Member which shall be furnished by the Member.

Section 9. EDITOR: The Editor shall publish the *Gazette* and shall distribute sufficient copies to the Street Directors so that they have a copy for each residence on their designated street(s) considered to be a part of Grimesdale (all actual residences on the original Grimesdale platted properties, plus those additional residences whose only road access to state roads is by special access routes that tie into the Grimesdale streets).

Section 10. METHOD OF ELECTION: The two issues of the *Gazette* published immediately before the Annual Meeting will seek volunteers for all Officer positions. At their last meeting before the actual election, the Board of Directors will attempt to prepare for the Annual Meeting of the Members a slate consisting of the name of one person for each Officer position who is qualified and willing to serve, if elected. In addition, at the Annual Meeting, nominations shall be accepted from the floor and shall be considered in the voting, provided the person or persons so nominated shall state a willingness to serve, if elected. The Officers so elected shall assume office on the first day of the new year, or immediately upon appointment if appointed after the first day of the new year or if their Officer position is currently vacant.

If the election of Officers is not held at the Annual Meeting, such election shall be held as soon thereafter as may be convenient. The present Officers shall hold office until the successors have been elected and qualified unless they are unable or unwilling to serve until that time.

Section 11. REMOVAL: Any Officer elected or appointed by the Board of Directors may be removed from office by a two-thirds vote of the Board of Directors whenever such action is considered to be in the best interest of the Association. Such removal shall be without prejudice to the contract rights, if any, of the Officer so removed.

Section 12. VACANCIES: A vacancy in any office because of death, resignation, removal, or otherwise shall be filled by the Board of Directors for the unexpired portion of the term.

Section 13. REGULAR MEETINGS: Regular Meetings of the Board of Directors shall be held quarterly without notice other than announcement in the previous issue of the *Gazette*.

Section 14. SPECIAL MEETINGS: Special Meetings of the Board of Directors may be called by or at the request of the President or by any two (2) or more Directors. Notice, including time, date, and place of any Special Meeting, shall be communicated to the Directors at a reasonable time prior to the meeting.

Section 15. QUORUM: Five Board members (a minimum of two [separate individuals] of the five Officers and enough Street Directors holding regular Member status to bring the total number of separate persons to five) shall constitute a quorum for the transaction of any operational business other than BYLAW changes at any Quarterly or Special Meeting of the Board of Directors.

Section 16. MANNER OF ACTING: The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these BYLAWS.

Section 17. COMPENSATION: The Board of Directors shall receive no salary or other compensation for their services to the Association except for Board-approved reimbursement for actual out-of-pocket expenses (supported by receipts) deemed necessary to accomplish their assigned tasks.

ARTICLE V. COMMITTEES

Section 1. OPERATING COMMITTEE: The Board of Directors, by resolution adopted by a majority of the Directors, may designate one or more Operating Committees, each of which shall consist of two or more Directors. Such Committee shall have and exercise the authority of the Board of Directors to the extent provided in the resolution. However, the designation of such Committees shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon them or the individual by law.

Section 2. OTHER COMMITTEES: Other Committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum of Directors is present. Except as otherwise provided in the resolution, members of such Committees shall be Members of the Association, and the President shall appoint the members thereof.

Section 3. DISSOLUTION OF COMMITTEES: The Board of Directors may dissolve any and all Committees that it has designated whenever it considers such dissolution to be appropriate.

ARTICLE VI. CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Section 1. CONTRACTS: The Board of Directors may authorize an Officer or Officers, Agent or Agents of the Association, in addition to the Officer so authorized by these BYLAWS, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority must be specific.

Section 2. CHECKS, DRAFTS, ETC.: All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer or Officers, Agent or Agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or a pro tem Treasurer and countersigned by the President or Vice President of the Association.

Section 3. DEPOSITS: All funds of the Association shall be deposited to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may designate.

Section 4. GIFTS: The Board of Directors may accept, on behalf of the Association, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

ARTICLE VII. CERTIFICATES

The Association shall neither have nor issue certificates of stock and shall declare no dividends or other division of its assets or property among its Members. The Board of Directors may provide for the issuance of certificates evidencing Membership in the Association, which shall be in the form as determined by the Board.

ARTICLE VIII. BOOKS AND RECORDS

Section 1. INSPECTION: All books and records of the Association are available to be inspected by any Member, or his Agent, for any purpose, at an agreed upon time.

Section 2. ACCOUNTING: The books and records of the Treasurer and the Secretary shall be compiled following the end of a fiscal year by the position incumbents. The Board of Directors shall appoint or hire a person or committee with some knowledge of accounting/bookkeeping practices no later than the second Quarterly Meeting of the new year to examine the compiled records. If the accounting examination function is contracted out to a professional, the cost (unless preapproved by the Board) shall not exceed \$400. The Accounting Committee or person appointed shall check the actual bank statements to ensure that the beginning of the year and end of the year financial statements are compatible with the retained expenditure receipts (or certified statements in the case of any lost receipts) and that revenue reporting (primarily dues payments) are validated by matching with the dues received listing published in the quarterly *Gazettes*. The Accounting Committee or appointed person's conclusions about the validity of the financial statements reported for the past year will be submitted in a written Accounting Report to the President to be presented at the next Quarterly Meeting of the Board of Directors and shall be recorded in the minutes of that meeting.

ARTICLE IX. FISCAL YEAR

The fiscal year of the Association shall begin on the first day of each January.

ARTICLE X. DUES

Section 1. ANNUAL DUES: The Board of Directors shall determine from time to time the amount of initiation fee (if any) and annual dues payable to the Association by Members.

Section 2. PAYMENT OF DUES: Dues shall be payable on the first day of each January. Any dues received during a calendar year will be presumed to be for that year unless the payer specifically indicates it is for a different year or a payment for that residence has already been made for the current year.

Section 3. TERMINATION OF MEMBERSHIP: The Board of Directors may take action to terminate the Membership of any previous-year Member who is in default in the payment of dues for a period of two months or more.

ARTICLE XI. SEAL

The Corporate Seal of the Association shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal".

ARTICLE XII. WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Nonprofit Corporation Act of North Carolina or under the provisions of the ARTICLES OF INCORPORATION or under the BYLAWS of the Association, a waiver thereof in writing signed by the persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIII. DISSOLUTION

In the event of dissolution, the residual assets of GRIMESDALE HOMES ASSOCIATION, INC. shall be turned over to one or more organizations with similar purposes, or to one or more organizations that are exempt as organizations described in Sections 501(c)(3) and 170(c)(2) of the 1954 Internal Revenue Code or corresponding sections of any prior or future Internal Revenue Code, or to the Federal, State, or Local government for exclusive public purpose.

ARTICLE XIV. AMENDMENTS TO BYLAWS

The BYLAWS may be altered, amended, or repealed, and new BYLAWS may be adopted by affirmative vote of a quorum of all the Members entitled to vote under terms and conditions of the BYLAWS then existing.
