

**BY-LAWS
OF
CATHERINE'S WAY HOA, INC**

**ARTICLE I
NAME AND LOCATION**

The name of the Association is **CATHERINE'S WAY HOA, INC**, hereinafter referred to as the "Association". The principal office of the Association shall be Jacksonville, North Carolina, but meetings of members and directors may be held at such places within the State of North Carolina, as may be designated by the Board of Directors of the Association.

**ARTICLE II
DEFINITIONS**

1. "Association" shall mean and refer to **CATHERINE'S WAY HOA, INC**, a non-profit corporation, its successors, and assigns.
2. "Common Area" shall mean all real property owned and managed by the Association, including the any limited common areas, if any.
3. "Owner" shall mean and refer to the legal or equitable Owner, whether one or more persons or entities, vested with title to any Lot, whether such Ownership be in fee simple title or as land contract vendee, but excluding any person or entity vested with title solely as security for the performance of an obligation of the Owner.
4. "Declarant" shall mean and refer to **MT. PLEASANT, INC**.
5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the streets, roadways, and open space.
6. "Member" shall mean and refer to those persons entitled to membership in the Association, by virtue of ownership of one or more Lot in **CATHERINE'S WAY SUBDIVISION**.
7. "Assessment" shall mean any Assessments levied on all Lots to fund the Common Expenses. Until January 1st of the year immediately following the conveyance of the first lot to Owner, the maximum annual assessment shall be \$200.00 per lot.
8. "Properties" shall mean and refer to all lands described in Paragraph 2 of the Declaration of Covenants, Conditions, Restrictions, and Easements for **CATHERINE'S WAY SUBDIVISION** and recorded in Bk6156 PG 557 and any Supplemental Declarations.
9. "Fiscal Year" shall begin on the date of incorporation and each and every subsequent year shall begin on the first (1st) of January and end on the thirty-first (31st) of December.
10. The Declarant, nor builder, shall be required to pay Assessments.

**ARTICLE III
MEMBERSHIP AND PROPERTY RIGHTS**

Section 1. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Management of the affairs of the Association shall be carried out in accordance with the terms and conditions of the Restrictive Covenants and the terms and conditions of the Articles of Incorporation and the By-Laws of the Corporation as adopted. In the event of a confliction between the Covenants and By-Laws, the Covenants prevail.

Section 3. In the event of the dissolution of the Declarant at the time it is owner of a lot, then the rights of the Declarant shall pass to and may be exercised by its successors receiving ownership of any such lot in dissolution.

ARTICLE IV MEETING OF MEMBERS

Section 1. Annual Meeting. The Annual Meeting of Members of the Corporation shall be held on such date or dates as shall be fixed from time to time by The Board of Directors. The first Annual Meeting shall be held on a date within twelve (12) months after the formation of the Corporation. Each successive Annual Meetings shall be held on such date or dates as shall be fixed from time to time by The Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President of the Association or by a majority of the Board of Directors or upon written request of the members entitled to vote fifty percent (50%) of the membership of the Association. Notice of Special Meetings shall state the purpose or purposes for which the meeting is called. At any Special Meeting, only the business stated in the Notice of Meeting may be transacted thereat.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy, postage prepaid, of such notice at least fifteen (15) days but not more than sixty (60) days before each meeting to each member entitled to vote thereat, to the mailing address of each lot or to any other mailing address designated in writing by the lot owner, or sent by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the lot owner. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. Notice shall be deemed to have been given when deposited with postage prepaid in a postal office or other official depository under the exclusive jurisdiction of the United States Post Office. No notice need to be given to any member who executes and delivers a Waiver of Notice before or after the meeting.

Section 4. Quorum. The presence at a meeting of members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of the Association shall constitute a quorum for any action except as provided by law and otherwise provided in these By-Laws. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. The quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 5. Proxies. At all meetings of the members, each vote may be cast in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be signed by the member or his attorney in fact and shall be revocable at the pleasure of the member executing it, except as otherwise provided by law. Except as otherwise provided by law, no proxy shall be valid after the expiration of eleven months from its date.

Section 6. Ballots By Mail: When authorized by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association, a statement of certain motions to be introduced for the vote of the members and a ballot on which each member may vote for or against such motions. Each ballot presented at such meeting shall be counted in calculating the quorum requirements for the meeting to be held but shall not be counted for determining whether a quorum is present for any other matter of business.

ARTICLE V BOARD OF DIRECTORS

Section 1. Number. The first Board of Directors shall consist of those persons elected by the Incorporators or named as the initial Board of Directors in the Certificate of Incorporation of the Corporation and shall hold office until the first Annual Meeting of the Members. At the first Annual Meeting of the Members the affairs of the Association shall be managed by a Board of three (3) Directors. Each director shall be at least eighteen (18) years of age and shall be a member of the Corporation during directorship. The number of Directors may be increased or decreased by action of the members or the Board of Directors, provided that any action by the Board of Directors to affect such increase or decrease shall require the vote of a majority of the entire Board of Directors. No decrease shall shorten the term of any director then in office.

Section 2. Term of Office. At the first annual meeting the members shall elect two (1) Directors for a term of one (1) year, one (1) Directors for a term of two (2) years and one (1) Director for a term of three (3) years; and at each annual meeting thereafter the members shall elect the necessary number of Directors for a term of three (3) years to replace those Directors whose term has expired.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, a successor shall be elected by the remaining members of the Board and shall serve until the next annual meeting. If the Director who has died, resigned, or been removed shall have one or more years remaining in his term at the time of the next annual meeting, a successor shall be elected at such meeting to serve for the remainder of the vacated term.

Section 4. Compensation. No Director or officer shall receive compensation for their services. However, by resolution of the Board of Directors may be reimbursed for actual expenses incurred in the performance of their duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI ELECTION OF DIRECTORS

Section 1. Election. Election to the Board of Directors shall be by secret written ballot. At such an election, the voting members or their proxies may cast one (1) vote for each vacancy. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 2. Eligibility to Vote. All Members must be current and in good standing with the Association to be entitled to (1) vote, (2) hold elective or appointment office, and (3) serve on committees as may be established.

ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly at such place and hour as may be fixed from time to time by resolution of the Board. A more frequent schedule of regular meetings may be established by the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than ten (10) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of the Directors present at duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) Manage, control and restrict the use of the Common Areas of the Association and the conduct of the Members and their guests by adopting and publishing rules and regulations, and establishing monetary penalties to enforce any lack of compliance.
- (b) Suspend a member's voting rights and the right to use Common Areas if a Member is in default of any assessment payment due and owing to the Association, or for the lack of compliance with the Association's published rules and regulations.
- (c) Exercise all powers and duties not reserved to the Membership and authorized by these Bylaws, Articles of Incorporation or the Declaration.
- (d) Create a vacancy of the office of a Member of the Board of Directors in the event of a Board Member's three (3) consecutive unexcused absences to the regular meetings of the Board of Directors.
- (e) Employ and supervise a manager, management company, an independent contractor, or such other employees as they deem necessary to perform its function.
- (f) Employ attorneys, accountants or other professional personnel to represent and assist the Association when deemed necessary.
- (g) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each fiscal year.
- (h) Increase annual assessments each year not more than twenty-five (25%) percent above the previous year without a vote of the membership.
- (i) Impose remedies for Non-Payment of Assessments that are not paid when due and assess interest from the due date at the rate established by the Board of Directors, or if not set by the Board, at the highest rate allowed by law, together with such late fees as may be set by the Board of Directors.
- (j) To make, levy and collect assessments against members and members Lots to defray the costs and common expenses of the Association.
- (k) Foreclose the lien against any Lot for which the assessment is not paid within thirty (30) days after the due date or bring an action at law against the Owner personally obligated to pay the same.
- (l) Opening bank accounts on behalf of the Association and designating the signatories required thereof.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Maintain a complete and detailed record of all Associations transactions and acts and furnish said records to the Members when such records are requested in writing by Members who are entitled to vote.
- (b) Supervise the Association's officers, employees, and volunteers to ensure proper and ethical performance of the assigned duties.
- (c) Cause the Common Areas to be maintained.
- (d) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each fiscal year.
- (e) May impose and collect any initiation fees, dues or other fees, fines and penalties.
- (f) Issue, or to cause an appropriate officer to issue, upon demand by any person, and for a reasonable charge furnish a certificate setting forth whether or not any assessment has been paid.

- (g) Procure and maintain adequate liability insurance.
- (h) May cause to be issued certificates, cards or other instruments permitted by law evidencing membership in the Corporation. Such membership certificate, card or other instrument shall be non-transferable.

ARTICLE IX OFFICERS AND THEIR DUTIES

Section 1. Officers. The officers of this Association shall be a President a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The officers shall be elected by the Board of Directors at the first meeting of the Board following each annual meeting of the members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving notice to the Board, the President, or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article IX.

Section 8. Duties. The duties of the officers are as follows:

- (a) President. The President shall preside at all meetings of the Board of Directors and shall serve as Chairman at all meetings of the members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
- (b) Vice-President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as may be required by the Board.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures which shall be mailed to the membership at least fifteen (15) days but not more than sixty (60) days prior to the annual meeting.

ARTICLE X RECORDS

Section 1. Records. Association must keep records of the following for a minimum of three (3) years:

- (a) Receipts and expenditures affecting the finances, operation and administration of the association.
- (b) Meeting Minutes

Section 2. Audit. The Board of Directors shall require an audit of the Association books at as follows:

- (a) Upon request of any Owner, the Board will have conducted an audit by a Certified Public Accountant. Provided, however, the cost of such audit shall be paid, in advance, by the requesting party.
- (b) Upon the request of any person or financial institution who or which holds a mortgage on the property, the Board will have conducted an audit by a Certified Public Accountant. Provided, however, the cost of such audit shall be paid, in advance, by the requesting party.
- (c) Upon the vote of the Board of Directors, the Board will have conducted an audit by a Certified Public Accountant. The cost will be borne by the Association.

ARTICLE XII CAPITAL CONTRIBUTIONS

In the event any capital contribution shall be made or accepted pursuant to authorization conferred by the Certificate of Incorporation of the Corporation, each certificate evidencing such capital contribution shall conform to the law of the State of Incorporation.

ARTICLE XIII MISCELLANEOUS

Section 1. Indemnification of Directors and Officers. The Association shall indemnify any director or officer or former director of the Association or any person who may have served at the request of the Association as director or officer of another corporation, whether for profit or not for profit, against expenses (including attorney's fees) or liabilities actually or reasonably incurred by in connection with the defense of or a consequence of any threatened, pending, or completed action, suit, or proceeding (whether civil or criminal) in which is made a party or was (or threatened to be made a party) by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty.

Section 2. Recover of Attorneys' Fees and Costs. In any proceeding arising because of an alleged default by a member or Association bringing an action against an alleged defaulting member shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees and costs as may be allowed by the Court, with interest thereon at the highest rate allowed by law.

Section 3. Nonwaiver of Covenants. The failure of the Association or of any member thereof to enforce any terms, provision, right, covenants or condition that may be granted by the Declaration, these Bylaws, the Articles, the rules and regulations, 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, covenants, or condition in the future, irrespective of the number of violations or breaches thereof that may have occurred.

ARTICLE X IV AMENDMENTS

Section 1. These By-Laws may be amended at any regular meeting or a special meeting of the members, providing that notice of such meeting shall state the content of such amendment by a vote of two-thirds (2/3) of all members entitled to vote. All members shall be bound to abide by any such amendment upon the same being passed.

Section 2. In the case of any conflict, the (1) provisions of state law, (2) the Association's Declaration, (3) Articles of Incorporation, and (4) these Bylaws shall prevail in that order.

The foregoing were adopted as the By-Laws of the Association, a non-profit corporation under the laws of the State of North Carolina, at the first meeting of the Incorporators on June 5, 2023.

Catherine's Way HOA, Inc,

A handwritten signature in black ink, appearing to read "Dominick Butch", is written over a horizontal line.

By: Dominick Butch, President