

Many of you have asked for a copy of the homeowner's association by-laws. I have come across a copy of the by-laws ***BUT*** I am not sure if these are up to date. You can use them as a starting place to answer many of your questions.

Again this copy is at least 4 years old and there maybe some changes I am not aware of, so use them wisely.

Jerry Freudenthal
2003 Association President.

June 1, 2003

**BY-LAWS
OF
MT. SHADDAI HOMEOWNER'S ASSOCIATION, INC.**

ARTICLE 1

NAME

Section 1.

The name of the Corporation shall be MT. SHADDAI HOMEOWNER'S ASSOCIATION, INC.

ARTICLE II

OFFICES

Section 1. Principal Offices

The principal office of the Corporation shall be located at law offices of Rudolph A Bata, Jr., 225 Valley River Avenue Suite A, Murphy, North Carolina 28906

Section 2. Registered Office

The registered office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be identical with the Principal Office.

ARTICLE III

MEMBERSHIP

Section 1. General Membership

Each person, Firm or Corporation who on May 9th 1989, that day upon which the Articles of this corporation were filed with the Department of the Secretary of state of the state of North Carolina, owns a fee simple absolute title interest in any lot described by plats of survey by William G. Davis & Associates, William G. Davis, R.L.S., filed for record in Plat Cabinet1, slide 267, page 4, slide 269, page 3, slide 287, page 9 and slide 317, page 10, office of the Register of Deeds of Macon County, North Carolina, reference to which is made hereby for incorporation herein and who is or may be the owner of any

addition(s) of the aforesaid property brought within the jurisdiction of the Corporation shall be a member of the Corporation; provided, that any such person, firm or corporation who holds title to any property brought within the jurisdiction of this corporation under a deed to secure debt, mortgage or deed of trust shall not be a member of the corporation.

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

The developer of the property described in the restrictive covenants and conditions as recorded in Deed Book J-15, Page 115 and Book Z-14, Page 151, office of the Register of Deeds of Macon County, North Carolina, as subsequently amended and the developer of any other property brought within the jurisdiction of this corporation through acquisition of additional property, may assign its membership in the corporation to any person, firm, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership, may make successive like assignments.

Membership in the Corporation shall not otherwise be transferable or assignable except the control of the corporation shall be delivered to the lot owners within one year of the first sale of a lot within the subdivision.

ARTICLE IV.

VOTING RIGHTS

Section 1. OLD

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

Section 1. NEW Amended – October 16th, 2004 Passed 58 – 0

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

“In good standing means all associations fees are paid within 30 days prior to any association meeting.”

The voting right of a member of the Corporation is incident to ownership of a fee simple absolute title interest in a residential lot in El Shaddai Estates II & III, as designated on plats of survey recorded in the office of the Register of Deeds of Macon County, North Carolina, reference to which is made hereby for incorporation herein and who is or may be owner of any addition (s) of the aforesaid property brought within the jurisdiction of the corporation.

Each owner shall join with his or her joint owners in the execution and delivery to the secretary of the Corporation at the principal office of the Corporation a written designation, signed by each joint owner, setting forth the name and address of the person so designated with the singular voting rights for them.

Upon receipt of the appointment notification, the Secretary of the Corporation shall enter the appointee's name as the sole voting member of each and every joint owner membership interest.

This designee (appointee) as listed on the voting membership list of the Corporation shall be entitled to only one vote on each matter submitted to vote at a meeting of the membership of the Corporation.

The designation of the voting member as herein set forth shall be valid until terminated by written termination notice signed by each joint owner and delivered to the secretary of the Corporation. Upon receipt of a revocation notice of the designated voting member as set forth herein, the Secretary of the Corporation shall remove that person's name from the voting list of the Corporation.

Until such time as the developer as defined in the aforesaid restrictive covenants and conditions, or his/her heirs and/or successors and assigns have conveyed of record by deed to ultimate owners eighty percent (80%) of the total lots which were owned of record upon filing of the restrictive covenants and conditions as recorded in the Deed Book J-15, page 115, Book Z-14, page 151, Office of the Register of Deeds of Macon County, North Carolina, as subsequently amended including adjacent properties, if any thereafter acquired or in the alternative at sooner date at the option of the developer therein named or his/her heirs, successors and/or successors and assigns in interest, but in any event within ten (10) years of the first sale of a lot in the subdivision described in the aforesaid declaration of covenants and restrictions as recorded in Deed Book J-15, Page 115, and Book Z-14, Page 151, office of the Register of Deeds of Macon County, North Carolina, the developer therein named and his/her heirs and/or successors and assigns in interest shall have all voting rights of the Corporation. Upon the assignment by the developer therein named or his/her heirs and/or successors and assigns in interest having conveyed eighty (80%) of such subdivision lots but in any event within ten (10) years of the first sale of a subdivision lot, each lot including those lots then owned by the developer therein named or his/her heirs and/or successors and assigns in interest shall be entitled to one (1) vote per lot which may be cast by the owner thereof as specified on this Article IV entitled "Voting Right's".

ARTICLE V

TERMINATION OF MEMBERSHIP

Section 1.

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

ARTICLE VI

MEETING OF MEMBERS

Section 1.

All meetings of the members of the Corporation shall be held at 225 Valley River Avenue, Suite A, Murphy, North Carolina, at such suitable place convenient to the members as designated by the Board of Directors.

Section 2.

ANNUAL MEETINGS

The initial annual meeting of the members of the Corporation shall be declared by the Board of Directors and shall be held on the 24th day of March 1990, at 10:00a.m. At a location to be specified in notice thereof. Thereafter the annual meetings of the membership of the Corporation shall be held on the first Saturday in the month of February of each calendar year at 12:00 p.m. unless otherwise provided by the members at a previous meeting. If the date fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

Section 3.

SEECIAL MEETINGS

Special meetings of the membership of the Corporation may be called at any time by the President or the Board of Directors of the Corporation or upon receipt by the Secretary of the Corporation of a petition signed by the members holding an aggregate interest greater than twenty percent (20%) of the total vote of the membership of the Corporation. The call of a special meeting shall be by notice stating the date, time, place, purpose and order of business at such special meeting. Only the business specifically stated in the notice may be transacted at a special meeting of the membership of the Corporation.

Section 4.

NOTICE OF MEETINGS

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

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

Section 5. ORDER OF BUSINESS

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

- A Roll Call
- B Proof of notice of meeting or waiver of notice.
- C Reading of minutes of proceeding meeting.
- D Report (s) of officers.
- E Report (s) of committee (s), if any.
- F Election of Directors.
- G Unfinished business.
- H New Business.
- I Adjournment of meeting.

Section 6. VOTING LIST

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

Section 7. QUORUM

A quorum for the transaction of business of the Corporation at any duly called meeting of the members of the Corporation shall consist of ten percent (10%) of the members of the Corporation entitled to vote at the meeting, represented either in person or by proxy. The members present at duly organized meeting may continue to transact until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

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

Section 8. PROXIES

Votes may be cast in person or by proxy. Proxies must be filed with the secretary of the Corporation for the designated time of each meeting and shall be entered of record in the minutes of the meeting.

Section 9. MAJORITY VOTE

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

ARTICLE VII

BOARD OF DIRECTORS

Section 1. General Powers

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

Section 2. Number, Term and Qualifications

The number of Directors constituting the Board of Directors shall be Three (3).

Each Director shall hold office until his death; resignation, retirement, removal, disqualification or his successor shall have been elected and qualified. Directors need not be residents of the State of North Carolina but must be a member of this Corporation.

Section 3. Election of Directors

Except as provided in Section 5 of this Article VII the Directors shall be elected at an annual meeting of the membership of the Corporation, and those persons who received the highest number of votes shall be deemed to have been elected. If any member so demands, the election of Directors shall be by ballot.

Section 4. Removal

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

Section 5. Vacancies

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

Section 6. Chairman of the Board

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

Section 7. Compensation

No Director shall receive compensation for any service he or she may render to the Corporation nor shall the Corporation make any loan, directly or indirectly, to a Director: provided, however, A Director may be reimbursed for any expenses incurred by him or her in the performance of his or her duties.

Section 8. Powers and Duties

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

- (a) The rights to purchase, sell, acquire and dispose of assets of the Corporation that shall be used for the benefit and enjoyment of the membership. In this regard, the Board of Directors shall act in a fiduciary relationship as to the membership so as to further the use and enjoyment of the assets of the Corporation.
- (b) The Board of Directors shall elect and appoint officers of the Corporation.
- (c) The exercise of such duties and responsibilities as shall be incumbent upon the Board by law, the By-Laws of the Corporation, the Board may deem necessary or appropriate in the exercise of its powers, including, without limitation, the collection of assets and charges from the members of the Corporation, the establishment and amendment from time to time of reasonable regulations governing the use of assets governing control by the Corporation.
- (d) The employment and dismissal of personnel necessary for the maintenance and operation of the assets of the Corporation, and
- (e) The right to employ a managing agent for the Corporation under such terms and conditions as the Board of Directors may authorize; provided, the Board of Directors shall not delegate to such agent the complete and total responsibility of the Corporation in violation of the non-profit corporation act of the State of North

Carolina. The managing agent shall have such duties as shall received such compensation as determined by the Board of Directors.

ARTICLE VIII.

MEETING OF DIRECTORS

Section 1. Regular Meetings

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

Section 2. Special Meetings

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

Section 3. Notice of Meeting

Notice of regular and special meetings of the Board of Directors shall be given to each Directors personally or by mail, telephone or telegraph at least three days prior to the day of such meeting; provided however, notice of the first regular meeting shall not be required to be given to the Directors provided that a majority of the entire Board is present at such meeting. Should any such meeting fall on a legal holiday, then that meeting shall be held at the same time on the next date which is not a legal holiday.

Section 4. Waiver of Notice

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

Section 5. Quorum

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

Section 6. Manner of Acting

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

Section 7. Resumption of Assent

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

Section 8. Informal Action by Directors

Actions taken by a majority of Directors without a meeting is nevertheless Board action is written consent to the action in question is signed by all Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken,

ARTICLE IX.

OFFICERS

Section 1.

The officers of the Corporation shall consist of a president, vice-president (s), secretary, assistant secretaries, treasure and assistant treasurer (s) and other officers as the Board of Directors may from time to time elect. Any two or more officers may be held by the same person but no officer may act in one or more capacity where action by two or more officers is required.

Section 2. Election and Term

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

Section 3. Compensation of Officers

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

Section 4. Removal

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

Section 5. Bonds

The Board of Directors may, by resolution, require any officer, agent or employee of the Corporation to give bond to the Corporation. With sufficient surety conditioned upon the faithful performance of the duties of his respective office or position, and to comply with such other conditions as from time to time may be required by the Board of Directors.

Section 6. President

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

Section 7. Vice President

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

Section 8. Secretary

The Secretary Shall:

- a) Keep the minutes of the meetings of the membership of the Corporation, of the Board of Directors and of all executive committee meetings in one or more books provided for that purpose;
- b) See that all notices are duly given in accordance with the provisions of these By-Laws or as by Law required;
- c) Be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duty authorized;
- d) Keep a register of the post office address of each member of the Corporation which shall be furnished to the Secretary by each member;
- e) Keep or cause to be kept at the principal office of the Corporation a record of the Corporations membership, giving the names and address of all members and the numbers and class of membership held by each, and prepare or cause to be prepared , voting lists prior to each meeting of the membership; and
- f) In general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 9. Assistant Secretary

In the absence of the Secretary or in the event of his death, inability or refusal to act, the Assistant Secretaries, in the order of their length of service, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary of the Corporation. They shall perform such other duties as may be assigned to them by the Secretary, by the President or by the Board of Directors.

Section 10. Treasurer

The Treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation;
- (b) Receive and give receipts for monies due and payable to the Corporation from any other source whatsoever and deposit all such monies in the name of the Corporation in such depositories as shall be selected in accordance with the provisions of Section 4 of Article VII. Of these By-Laws;
- (c) Prepare or cause to be prepared a true statement of the Corporation's assets and liabilities as of the close of each fiscal year, or calendar year as the case may be, all in reasonable detail, which statement shall be made and filed with the Corporation's principal place of business within four (4) months after the end of such fiscal or calendar year and there kept available for a period of at least ten (10) years; and
- (d) In general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or the Board of Directors, or by these by-laws.

Section 11. Assistant Treasurers

In the absence of the Treasurer or in the event of his death, inability or refusal to act, the Assistant Treasurers, in their respective order of length of service, unless otherwise determined by the Board of Directors, shall perform the duties of Treasurer, and when so acting shall have all the powers of and be subject to all restrictions upon the Treasurer. They shall perform such other duties as may be assigned to them by the Treasurer, by the President or by the Board of Directors of the Corporation.

ARTICLE X.

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts

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

Section 2. Loans

No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a general confined or specific instance.

Section 3. Checks and Drafts

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

Section 4. Deposits

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

ARTICLE XI.

RIGHTS, PRIVILEGES AND INCIDENTS OF MEMBERSHIP

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

- (1) The right to vote on any matter at a meeting of the membership of the Corporation as provided in these By-laws.
- (2) The right to assign his rights and privileges hereinafter specified for the use and enjoyment of property and facilities of the Corporation only to the following persons: (a) members of his immediate family; (b) his guests; or (c) any lessee who resides in a dwelling situated on his property.

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

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

ARTICLE XII.

GENERAL PROVISIONS

Section 1. Seal

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

Corporate Seal

Section 2. Waiver of Notice

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

Section 3. Fiscal Year

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

Section 4. Amendments

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

The Board of Directors shall have no power to adopt by by-law any provision contrary to 'Chapter 55A' of the General Statutes of North Carolina.

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