

**BYLAWS
OF
The Trojan Horse Property Owners' Association**

**ARTICLE I
NAME AND BUSINESS ADDRESS**

The name of the Association is the Trojan Horse Property Owners' Association (hereinafter called the "Association"). The association shall be known as the Trojan Horse POA. The business address of the Association Shall be P.O. Box 11, Deep Gap, North Carolina 28618. The business address may be changed by the Board of Directors of the Association if required by the U.S. Postal Service, or, upon approval of the membership, for any other reason.

**ARTICLE II
MEMBERSHIP IN THE ASSOCIATION**

Every person or entity who is a record owner of a fee or undivided fee interest in any of the units in any phase of Trojan Horse subdivision (hereinafter called "the Subdivision"), located in Ashe County, North Carolina, and has signed these by-laws shall be a member of the Association. Ownership of such interest and the signing of the by-laws shall be the only two qualifications for membership, and membership shall be legally tied to and may not be separated from ownership of the property.

**ARTICLE III
PURPOSES OF THE ASSOCIATION**

The Association is formed to serve the road maintenance needs of the property owners of the Trojan Horse Subdivision. The Association shall not endeavor to improve the existing roads, but only to maintain them in a reasonable, suitable, and safe condition. The Association shall not pave existing roads, nor shall it build additional roads in the subdivision. The sole purpose of the Association is for the maintenance of the existing roads. This purpose is an essential component of these By-laws, and may not be amended by subsequent actions of the Board or the Membership at any time for any reason. The duties of the Association shall be:

A. To manage the Subdivision pursuant to the terms and provisions of these Bylaws, any Rules and Regulations promulgated by the Association, and any Declarations or Restrictive Covenants that might later be filed;

B. To enforce the provisions of these Bylaws, any Rules and Regulations promulgated by the Association, and any Declarations or Restrictive Covenants that might later be filed;

C. To comply with the obligations of North Carolina Law to ensure that the Association remains a nonprofit corporation.

No part of the net earnings of the Association shall inure to the benefit of its members, its officers, or to any other person. However, this prohibition does not preclude the members or officers from being reimbursed for reasonable expenses incurred on behalf of the Association.

ARTICLE IV. MEETINGS OF MEMBERS

Section 1. Place of Meetings. All meetings of members shall be held at such place in Ashe County, North Carolina, as shall be designated on the notice of the meeting.

Section 2. Annual Meetings. The Annual Meeting of the members shall be held during the month of July of each year on any day during that period (except a legal holiday) as determined by the officers or members who attended the previous Annual Meeting, for the following purposes:

1. to elect the officers of the Association for the coming fiscal year; and
2. to transact any other business that may come before the membership, including but not limited to the adoption, modification and/or repeal of any Rules and Regulations governing the Subdivision.

Section 3. Substitute Annual Meeting. If the Annual Meeting shall not be held on the day designated by these Bylaws, a substitute Annual Meeting may be called in accordance with the provisions of Section 4 of this Article IV. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 4. Special Meetings. Special meetings of the members may be called at any time by the President, a majority vote of the officers, or upon the written request (which includes email) of not less than twenty percent (20%) of the members.

Section 5. Notice of Meetings. The date, time, and location of the next year's Annual Meeting shall be determined and announced during the current year's Annual Meeting. This date, time, and location shall also be listed in the annual newsletter. Written notice of any

meeting, including the Annual Meeting or any special meetings that may be called, shall be posted at both entrances stating the date, time and place of the meeting or any changes thereof.

Section 6. Voting Rights. On matters of the Association's business submitted to vote of the membership, there shall be one (1) vote per owner, regardless of the number of lots owned, and each lot can only have a total of one (1) vote. As long as less than fifty percent (50%) of those eligible to join the Association are members, the quorum at any Annual Meeting or Substitute Annual Meeting properly called and convened pursuant to these Bylaws shall be forty percent (40%). Once the membership reaches fifty percent (50%) or greater of those eligible to join, there shall be no requirement of a quorum for submitting any matter to a vote at any Annual Meeting or Substitute Annual Meeting properly called and convened pursuant to these Bylaws. At any special meeting of members, twenty percent (20%) of the members (represented either in person or by proxy) shall constitute a quorum for the purposes of submitting any matter to a vote. Except as otherwise provided by these Bylaws, all matters submitted to a vote at any meeting held in accordance with these Bylaws shall be decided by a two-thirds (2/3) majority of the total votes cast.

Section 7. Voting by Proxy. Votes may be cast either in person or by one or more agents authorized by a dated, written proxy executed by the member or his/her attorney-in-fact and properly notarized. A proxy terminates one year after its date, unless it specifies a shorter term. Any form of proxy which is sufficient in law may be used, but the following form of proxy shall be deemed sufficient:

The undersigned hereby irrevocably constitute and appoint _____ their attorney-in-fact and proxy for the sole purpose of casting the vote allocated to Unit____, on all matters submitted to vote at that meeting of the Trojan Horse Property Owners' Association, to be held on _____. The undersigned hereby ratify and confirm all such votes cast on behalf of said Unit at that meeting, and certify that they are fully authorized to execute this instrument of proxy on behalf of all owners of any fee interest in said Unit.

This the _____ day of _____, _____.

_____(Seal)

I, _____, a Notary Public of _____ County, _____(State), do certify that _____, the principal, to me known and known to me to be the person described in and who executed the foregoing instrument and he (or she) acknowledged that he (or she) executed the same and being duly sworn by me, made oath that the statements in the foregoing instrument are true.

Witness my hand and official seal this the _____ day of _____, 20__

(SEAL)

Notary Public

My Commission Expires:_____.

Section 8. Voting List. At least ten days before each meeting of members, the Secretary of the Association shall prepare an alphabetical list of the members entitled to vote at such meeting or any adjournment thereof, with the address of each, which list shall be kept on file with the book of records of the Association. This list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any members during the whole time of the meeting.

ARTICLE V. OFFICERS

Section 1. Designation. The officers of the Association shall consist of a President, a Vice-President, a Secretary, and a Treasurer, and such other officers as the membership may from time to time elect. The offices of Secretary and Treasurer may be held by the same person; otherwise, no two offices may be held by the same person.

Section 2. Election and Term. The officers shall be elected by a vote of the members at the Annual Meeting. The officers shall be elected to one-year terms, and members at the Annual Meeting. The officers shall be elected to one-year terms, and each officer shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and the appointment of his/her successor.

Section 3. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He/she shall, when present, preside at all meetings of the members. He/she shall sign, with the Secretary, any contracts or other instruments which a majority of the members has authorized to be executed; and in general he/she shall perform all duties incident to the office of President. The President, together with the Secretary, shall execute any amendments to these By-Laws and any future Declarations or Restrictive Covenants only when those amendments have been approved by the membership of the Association.

Section 4. Vice President. In the absence of the President or in the event of his/her death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall assist the President as requested.

Section 5. Secretary. The Secretary shall: (a) keep minutes of the meetings; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) handle all correspondence of the Association; (e) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President.

Section 6. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such depositories as shall be selected by the officers of the association; and (c) 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/her by the President.

ARTICLE VI. MEMBERS RIGHTS AND RESPONSIBILITIES

Section 1. Any member has the right to review the minutes of any meetings, correspondence issued on behalf of the Association, and any written records maintained by the Association. The Secretary shall make these documents available for review, inspection and copy (at the member's expense) upon the request of a member within a reasonable time and in a reasonable manner.

Section 2. The member has a responsibility to keep the Secretary of the Association apprised of his or her current address and contact information.

Section 3. The member has a responsibility to pay his/her dues in a timely manner.

ARTICLE VII. DUES AND PENALTY FOR NON-PAYMENT

Section 1. The dues shall be listed in the annual newsletter. Members engaging in new construction on a lot shall be assessed a one-time \$500 fee for each house under construction during the year in which the construction begins, and this fee shall include the year's annual dues.

Section 2. The dues may be changed by a majority vote of the members at the Annual Meeting. However, the increase in the dues may never exceed ten percent (10%) in any one year. Any changes in the dues approved at an Annual Meeting will go into effect during the following fiscal year.

Section 3. If additional assessments are deemed necessary by the officers to adequately meet the obligations of the Association's responsibilities or in case of emergency, the officers may call for a special meeting in compliance with Article IV, and the members by a majority vote may authorize such assessments.

Section 4. If a member fails to pay the dues, the Association may place a lien upon his or her property. In the event of a failure to pay, a written notice will be mailed to the property owner at the last known address of record with the Secretary, or in the event that this address is determined to be invalid, at the address listed with the Ashe County Tax Administration Office. The notice shall state the amount owed, the past due date, the

address for receipt of the payment, and the date by which the member must pay (to be no less than 10 days from the date of the letter). If the member does not pay by the deadline listed in the notice, then a lien will be assessed against his or her property(ies) until the amount owed is paid and the Association is reimbursed for the costs of assessing the lien.

ARTICLE VIII CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 1. Contracts. The officers may permit the President to enter into any contract, or execute and deliver any instrument in the name of and on the behalf of the Association, and such authority may be general or confined to specific instances, so long as the contract is in furtherance of the road maintenance purpose of the Association.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by the President and/or the Treasurer of the Association.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the officers may select.

ARTICLE IX INDEMNIFICATION

Any person who at any time serves or has served as an officer of the Association shall have a right to be indemnified by the Association to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him/her in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitrative action, suit, or proceeding (and any appeal therein) whether or not brought by or on behalf of the Association, seeking to hold him/her liable by reason of the fact that he/she is or was acting in such capacity, and (b) reasonable payments made by him/her in satisfaction of any judgment, money decree, fine, penalty or settlement for which he/she may have become liable in any such action, suit or proceeding.

Upon request for payment, the President of the Association shall promptly call a special meeting of the members to obtain approval to pay the indemnification required by this bylaw. Such approval may be general or confined to specific instances, and shall not be unreasonably withheld. Upon approval by the members, the President shall promptly cause the indemnification to be paid to the requesting party. The request for payment may be made after the costs have been incurred or in anticipation of costs to the officer.

Any person who at any time after the adoption of this bylaw serves or has served as

an officer of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this bylaw.

ARTICLE X. DISSOLUTION

In the event of dissolution of the Association, the residual assets of the Association will be distributed to the current members of the association

ARTICLE XII. GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Association.

Section 2. Fiscal Year. The fiscal year of the Association shall be January 1 through December 31.

Section 3. Amendments. The members of the Association may amend these Bylaws, repeal these Bylaws and/or adopt new Bylaws by the vote of at least sixty-seven percent (67%) of all existing members at any meeting of the membership of the Association properly held and conducted pursuant to Article V above.

Section 4. Conflicts. In the event of any conflict between the terms and provisions of these Bylaws and the terms and provisions of any future Declaration, the terms and provisions of the Declaration shall control.

Section 5. References to Statutes. All references herein to any statutory provision shall be construed to include and apply to any subsequent amendments to or replacements of such provisions.

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