

**BYLAWS
OF
VILLAGE HEARTH HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME, ADDRESS AND PURPOSE**

- 1.1 Form of Owners Association. Village Hearth Homeowners Association, Inc. (“HOA”) shall be administered as a North Carolina non-profit organized under N.C.G.S. §55A-1-28.
- 1.2 Address. The initial principal office and mailing address of the HOA shall be located at P.O. Box 72046, Durham, North Carolina 27722-2046. The principal office of the HOA may be changed by the members from time to time.
- 1.3 Purpose. The HOA has been organized to govern Village Hearth Community, an LGBT-focused, aged 55 and older, senior residential cohousing community, established in compliance with N.C.G.S. §47C.
- 1.4 Definitions. Unless otherwise specified, all terms shall have the same meaning in these Bylaws as such terms have been defined in the “Amended Declaration of Covenants, Conditions and Restrictions for Village Hearth” which was recorded with the Durham County Register of Deeds, Book 8876, Pages 366 - 389, as they now exist or are later amended (“Declaration”), recorded upon the real property described as: 1000 Infinity Road, Durham, North Carolina.

**ARTICLE II
PURPOSE**

- 2.1 The purposes for which the HOA is organized are:
 - a. To engage in any lawful activity for which corporations may be organized under N.C.G.S. §55A.
 - b. To provide for the ownership, management and maintenance of Village Hearth, a community for residential purposes described in the Declaration.
 - c. To provide for the ownership, management, maintenance and to promote the safety and welfare of the Owners of property within Village Hearth.

- d. To undertake the performance of the acts and duties incident to the ownership, management and maintenance of Village Hearth, particularly the Common Areas, in accordance with the terms, provisions, conditions and authorization contained in these Bylaws and the Declaration.
- e. To provide for compliance with the Stormwater Facility Agreement and Covenants as recorded in the Durham County Registry.

**ARTICLE III
MEMBERSHIP**

- 3.1 Management. The business and affairs of the HOA shall be managed by the membership at regular meetings.
- 3.2 Membership. Every Owner named on a recorded Deed for a Home in Village Hearth shall be a Member of the HOA. If title to a Home is held by more than one person, then each person shall be a Member. Membership is appurtenant to and may not be separated from the Home upon which it is based, and such membership shall be transferred automatically by conveyance of title to the Home.
- 3.3 Powers and Authority of the Members. The business and affairs of the HOA shall be managed by the Members. Subject to the provisions contained herein and applicable law, the Members, through Decision Making as described herein, shall have the power and authority to exercise all of the rights and powers of the HOA, including, but not limited to, the following:
 - a. To adopt rules and regulations governing the use of the Common Areas, the personal conduct of Members and their guests, and to establish penalties for the infraction thereof;
 - b. To maintain, repair and replace, as necessary, the Common Areas and to assess the Members to recover the costs of the upkeep of the Common Areas;
 - c. To suspend the voting rights and right of use of the Common Areas of Members during any period in which such Members shall be in default of any assessment levied by the HOA; and

- to suspend such rights, after notice and hearing, for infraction of published rules and regulations for a period of at least sixty (60) days;
- d. To declare the office of an Officer vacant in the event such Officer shall be absent from three (3) consecutive regular meetings of the Board;
 - e. To procure, maintain and pay premiums on insurance policies and equitably assess the Members for their pro-rata portion of such expense;
 - f. To employ vendors, independent contractors or other professionals as is deemed necessary to facilitate the day to day operations of the HOA or to comply with the duties of the HOA to maintain or repair the Common Areas;
 - g. To exercise any other powers necessary and proper for the governance and operation of the HOA; and
 - h. To exercise any other powers that may be exercised in this State by legal entities of the same type as the HOA.

ARTICLE IV DECISION MAKING

- 4.1 Decision Making. The affairs of the HOA shall be managed in general by decision of the Members. Certain affairs, such as those requiring signing of legal documents or filing of public documents shall be managed by the Officers in accordance with the provisions of applicable law, the Articles of Incorporation, the Declaration and these Bylaws.
- 4.2 Limitations. Only Members, as defined in Article III, are empowered to make decisions. Other persons may be involved in giving input pertaining to items presented for decision. Except as otherwise provided by law, the Declaration or these Bylaws, that act of Decision Making of the Members present at a meeting at which a quorum is present shall be the act of the Members.
- 4.3 Committees. Committees may assist in the management of the HOA and may be designated by the membership present at any meeting. Committees serve according to the charge and empowerment given them by the HOA.

4.4 Emergency Decisions. Any decision that cannot be made by Decision Making, consent or vote of the Members due to time limitations and/or economic pressures is an “Emergency Decision”. The Board shall form the Emergency Decision Committee, which will consist of the Officers and 3 Circle Leaders. Circle Leaders will be elected annually in conjunction with the election of the Officers. The Emergency Decision Committee shall make a reasonable effort to contact all Members by telephone, fax, e-mail, text and/or posting in the Common House to convene a meeting of the Members (which may be by telephone or other electronic means) prior to making a decision. A quorum of the Emergency Decision Committee is required for any Emergency Decision.

ARTICLE V MEETINGS

- 5.1 Annual Meeting. The annual meeting of Members shall be held in October of each year for the purpose of electing Officers and the Circle Leaders of the HOA and for the transaction of such other business as may be properly brought before the meeting.
- 5.2 Regular Meetings. The frequency of meetings for the coming year will be established at the Annual Meeting.
- 5.3 Special Meeting. A special meeting of the Members may be called for any lawful purpose as needed upon request of at least 25% of the Members. Upon such request, the Officers shall proceed with notice of such meeting.
- 5.4 Place of Meeting. All meetings of Members shall be held at the Common House, or at such other place as shall be designated in the notice of the meeting. In no event shall a meeting occur outside of the City of Durham unless unusual conditions exist.
- 5.5 Notice of Meetings. Written notice, stating the time and place of the meeting, and briefly describing the purpose(s) thereof, shall be given not less than seven days before the date of the meeting to each Member. E-mail and posting in the Common House shall be considered a valid form of notice. Members shall be responsible for providing current contact information, including

e-mails, to the HOA. Members that are entitled to notice shall be those that exist on the date of the notice.

- 5.6 Organization. The President, or in his/her absence, the Vice President, shall preside over all meetings of Members or Officers and the Secretary shall act as secretary at all meetings of the Members. In the Secretary's absence, the President may appoint a secretary for the meeting.
- 5.7 Quorum. A quorum is the presence of Members entitled to cast more than 50% of the eligible votes. In the absence of a quorum, no business may be transacted at the meeting other than to adjourn the meeting to another time. Members present may continue to transact business as long as a quorum is present. A quorum may be met by Members present or by video conference or telephone provided that they can hear all business being transacted and be heard by Members present. Proxies shall not count towards a quorum. Only Active Members, those Members not in default on any obligation to the HOA, may be counted towards a quorum.
- 5.8 Voting. Except for Emergency Decisions, described in Section 4.4, Members shall attempt to reach consent at two separate meetings before putting any matter to a vote and if such consent is not reached, the matter may be put forward by any Member to the Members for a binding vote. A vote of 75% of the Member Households at a meeting shall constitute a binding decision upon the Membership so long as a quorum, as defined in Section 5.7, of the Member Households was present at the vote. Only Active Members are entitled to vote. Each Member Household shall have one vote on any matter submitted to the Members for approval, unless otherwise specified in these Bylaws. With respect to any matter requiring a vote or approval from a Member Household, any member of the Member Household shall be conclusively presumed to have authority to vote or consent to such matter on behalf of such Member Household.
- 5.9 Mortgagees. Any Mortgagee (lender), or its designated representative, shall be entitled to attend any such meeting, but shall not be entitled to vote at the meeting. Mortgagees must request in writing to receive such notices.

- 5.10 Waiver of Notice or Consent. The transactions of any meeting of Members shall be held as valid if (i) a Quorum is present in person or (ii) either before or after the meeting each Member entitled to vote, not present in person, signs a written waiver of notice, a consent to the meeting or an approval of the minutes of the meeting. Attendance of a Member at a meeting shall also constitute a waiver of notice of the meeting unless the Member objects at the beginning of the meeting that the meeting is not lawfully convened.
- 5.11 Proxies. Each Member entitled to vote shall have the right to do so either in person or by written proxy. Proxies shall be valid for the noticed meeting only. In the event that any Member wishes to designate a proxy for more than one meeting, the proxy shall be signed by the Member and submitted to and filed by the Secretary. The proxy shall remain in effect until (i) the Member executing the proxy delivers a written revocation before the vote is cast under the proxy, (ii) the Member attends and votes in person at any meeting or (iii) the death or incapacity of the Member executing the proxy. The proxy shall vote in accordance with the Member's choice, if so designated in the proxy. Proxies shall not be valid for the following votes:
- a. Amending the Articles of Incorporation;
 - b. The sale, lease, conveyance, exchange, transfer or other disposal of all or substantially all of the HOA's assets or the principal terms of a merger;
 - c. Electing to wind up or dissolve the HOA and any associated actions.

ARTICLE VI OFFICERS

- 6.1 Titles. The affairs and day to day operations of the HOA shall be managed by the Board of Directors. All Members of the HOA shall be members of the Board of Directors. The Board of Directors shall elect the following Officers: President, Vice President, Secretary and Treasurer. Officers shall be Members of the HOA. The Officers shall exercise authority to conduct business as previously directed by action of the Members at a meeting.

- 6.2 Selection and Term. Prior to the annual meeting, the Board of Directors shall propose a list of potential officers to the Members. Members may also nominate other individuals to be considered as officers. The Officers of the HOA shall be selected by the Board of Directors at the annual meeting. Each Officer shall hold office until the next annual meeting or until a successor is elected. Officers shall be limited to serving two (2) consecutive terms and later may be re-selected for further service in the same office. The Officers shall exercise ordinary and reasonable care in the performance of their duties.
- 6.3 Compensation. No Officer shall receive compensation for any service he or she may render to the HOA. With prior approval of the Officers, any Officer may be reimbursed for actual expenses incurred in the performance of the HOA duties.
- 6.4 Standard of Care. Each Officer shall perform his or her duties in a manner such Officer believes to be in the best interests of the HOA and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
- 6.5 Vacancies. If any office of the Officers becomes vacant due to death, resignation, disqualification or otherwise, the Officers shall, at the next regularly scheduled meeting, elect a successor who shall hold office for the unexpired portion of the term of the vacated office.
- 6.6 Removal. Any Officer selected may be removed by the Members whenever in the Members' judgment the best interests of the HOA will be served. An Officer may only be removed at a meeting by a vote of at least 75% of the eligible voting Members at the meeting so long as a quorum of eligible voting members is present.
- 6.7 Duties of the Officers. It shall be the duty of the Officers to do the following:
- a. To keep a complete record of all their acts and corporate affairs and to report on such to the Members at the annual meeting;
 - b. To supervise all Officers, agents and employees of the HOA and to see that their duties are performed properly;

- c. To review, on at least a quarterly basis a current reconciliation of the HOA's operating and reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget, an income and expense statement from the HOA's operating and reserve accounts, and the latest account statements prepared by financial institutions where the HOA maintains its accounts;
- d. To fix the amount of the annual assessment to Members at least three (3) months in advance of each annual assessment period, based on the projected budget for the annual assessment period and pursuant to the provisions of the Declaration;
- e. To send written notice of each annual assessment to every member at least thirty (30) days in advance of the due date for each annual assessment;
- f. To foreclose any unpaid assessments and liens resulting therefrom against any property for which assessments are not paid within sixty (60) days after the assessment due date, or to bring an action at law against the Member personally obligated to pay the same;
- g. To procure and maintain at all times sufficient liability and/or casualty insurance to adequately protect the HOA as provided in the Declaration; and
- h. To cause all Officers and employees having fiscal responsibilities to be bonded, as appropriate.

6.8 Limitation of Powers of the Officers. The Officers shall not have the authority as to the following matters:

- a. The dissolution, merger or consolidation of the HOA, the amendment of the Articles of the Incorporation of the HOA or the sale, lease or exchange of all or substantially all of the property of the HOA.
- b. The amendment or repeal of these Bylaws or the adoption of new Bylaws.

**ARTICLE VII
BOOKS AND RECORDS**

The HOA shall maintain (i) adequate books and records of account, (ii) written minutes of the proceedings of the Members and Officers, and (iii) a record of the Members. The books and records of the HOA, including these Bylaws, shall at all times, during reasonable business hours, be subject to inspection by any Member or mortgagee of any Member.

**ARTICLE VIII
INDEMNIFICATION**

- 8.1 General Policy. It shall be the policy of the HOA to indemnify to the maximum extent permitted by Chapter 55A of the General Statutes of North Carolina the Officers, committee members and former Officers against judgments, penalties, settlements and other liabilities incurred by them in connection with any pending, threatened or completed action, suit or proceeding, whether civil, criminal, investigative or administrative (a “proceeding”) and against reasonable expenses (including attorneys’ fees) in connection with any proceeding, where such liabilities and litigation expenses were incurred incident to the good faith performance of their duties.
- 8.2 Use of HOA Funds for Indemnification. The HOA may advance expenses in connection with any proceeding to any such person in accordance with applicable law. The use of funds of the HOA for indemnification shall be deemed a proper expense of the HOA.

**ARTICLE IX
AMENDMENT OF BYLAWS OR ARTICLES OF INCORPORATION**

These Bylaws or the Articles of Incorporation may be amended, repealed or replaced by the Membership using the process outlined above at any annual or special meeting of the Members after notice of the proposed amendments has been given to all Members entitled to vote. No amendment to these Bylaws or the Articles of Incorporation shall be consented to which would operate to impair or prejudice the rights or liabilities of any mortgagee unless that mortgagee expressly consents. No amendment may be made which would make the Bylaws inconsistent with the Declaration. Upon

approval of an amendment to the Articles of Incorporation, the Secretary shall promptly file such amendment with the North Carolina Secretary of State.

ARTICLE X DISSOLUTION

The HOA may be dissolved with assent given in writing and signed by not less than 75% of all Members. Upon dissolution of the HOA, other than incident to a merger or consolidation, the intangible assets of the HOA shall be used to pay creditors of the HOA and the costs of dissolution. All residual assets of the HOA will be turned over to one or more organizations with similar purposes which are exempt as organizations described in Section 501(c)(3) of the Internal Revenue Code.

ARTICLE XI GENERAL PROVISIONS

- 11.1 Conflict. In the event any of the Bylaws conflict with any provisions of the Declaration, the Declaration shall control.
- 11.2 Fiscal Year. The fiscal year of the HOA shall be the period ending December 31 of each year.
- 11.3 Joint Signatures. Unless the Members authorize otherwise, any check or other negotiable instrument issued by the HOA shall require the signatures of two of any of the Officers. Any withdrawal of money from the reserve account, if applicable, shall require the signatures of a least two Members, who shall be Officers. Any withdrawal from the Major Reconstruction Fund, as provided for in the Declaration, shall require the signatures of at least two Members, who shall be Officers. The Major Reconstruction Fund shall only be used for major repairs and reconstruction as required by the Stormwater Facility Agreement and Covenants recorded in the Durham County Registry.

The undersigned, the President and Vice President of the Village Hearth Homeowners Association, Inc. certify that the foregoing Bylaws were duly adopted by the Members on the 11th day of January, 2020.


Tami Ike (Feb 28, 2020)

President Feb 28, 2020


Nancy C. Reynolds (Feb 28, 2020)

Vice President Feb 28, 2020