

1 COUNTRYHOUSE SERVICE GROUP V, INC.
2 Village of Fearington
3 Pittsboro, North Carolina 27312
4

5 **BY-LAWS**

6 *(Amended and rewritten in 2005, these By-Laws supersede and replace the original 1987*
7 *COUNTRYHOUSE SERVICE GROUP V, INC. BY-LAWS and all previous By-Laws and*
8 *amendments; they become effective upon enactment of a positive vote of the membership*
9 *according to ARTICLE XIII of the previously existing By-Laws. Also, the Definitions as they*
10 *appear in the Declaration apply to these By-Laws as well)*
11

12 **ARTICLE I**

13 **NAME**

14 The name of this association shall be Countryhouse Service Group, V, Inc., hereinafter referred to
15 as CSG-V.

16 **ARTICLE II**

17 **PURPOSE**

18 Section 1. These By-Laws are intended to provide rules of order for the governance of
19 Countryhouse Service Group V (CSG-V). Owners shall have the obligation to acquaint their
20 tenants with these By-Laws.
21

22 Section 2. CSG-V is a service group within the Fearington Homeowners Association which
23 encompasses the 201 townhomes designated by Fitch Creations as Countryhouse.
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25 **ARTICLE III**

26 **MEMBERSHIP**

27 The owners of the 201 units are the members. Each unit may cast one vote at membership
28 meetings.
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30 **ARTICLE IV**

31 **MEMBERSHIP MEETINGS**

32 Section 1. **Annual Meeting.** The Annual Meeting of the membership shall be on the first,
33 second or third Sunday of each November, to be held at a time and place announced to the
34 membership in accordance with Section 3 of this Article IV.

35 Section 2. **Special Meetings.** Special Meetings of the members may be called at any time by the
36 President or by a majority of the Board of Directors, or upon written request of ten percent (10%)
37 of the members who are entitled to vote.
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39 Section 3. **Notice of Meetings.** Written notice of each meeting of the members shall be given
40 by, or at the direction of, the Secretary, or person(s) authorized to call the meeting, by mailing a
41 copy of such notice, postage prepaid, at least thirty (30) days before such meeting to each
42 member entitled to vote thereat, addressed to the member's address last appearing on the books of
43 CSG-V, or supplied by each member to CSG-V for the purpose of notice. Such notice shall
44 specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose
45 of the meeting.
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47 Section 4. **Quorum.** The presence at the meeting of members entitled to cast, or of proxies
48 entitled to cast one-tenth (1/10) of the votes shall constitute a quorum for any action except as
49 otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If,
50 however, such quorum shall not be present or represented at any meeting, the members entitled to
51 vote thereat shall have the power to adjourn the meeting from time to time, without notice or

1 other announcement at the meeting, until a quorum as aforesaid shall be present or be
2 represented.

3
4 Section 5. **Proxies.** At all meetings of members, each member may vote in person or by proxy.
5 All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and
6 shall automatically cease upon conveyance by the member of his/her lot.
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8 **ARTICLE V**
9 **BOARD OF DIRECTORS**

10 Section 1. **Number of Directors.** Seven (7) members of CSG-V shall be elected or appointed to
11 the Board of Directors to manage the affairs of the organization.
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13 Section 2. **Terms of Office.** At the Annual Meeting the members shall elect Directors for two-
14 year terms to fill vacancies on the Board. A Director may be nominated and elected to serve one
15 additional two-year term. After serving two consecutive two-year terms, a Director is ineligible
16 to serve on the Board for at least one year. The terms of newly elected Directors shall begin at
17 the first monthly meeting following the Annual Meeting.
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19 Section 3. **Removal and Successors.** Any Director may be removed from the Board with or
20 without cause, by a majority vote of the members of CSG-V. In the event of death, resignation,
21 or removal of a Director, his/her successor shall be selected by the remaining members of the
22 Board and shall serve the unexpired term of his/her predecessor. Those Board members who are
23 selected to complete unexpired terms are still eligible for election to two consecutive two-year
24 terms.
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26 Section 4. **No Compensation.** Directors shall not receive compensation for any service he/she
27 may render to CSG-V. Directors may, however, be reimbursed for actual expenses incurred in
28 the performance of duties.
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30 **ARTICLE VI**
31 **NOMINATION AND ELECTION OF OFFICERS**

32 Section 1. **Nominating Committee.** The Nominating Committee shall be a Standing
33 Committee. The Chair and no more than two additional committee members shall be appointed
34 by the Board of Directors prior to each Annual Meeting. The Nominating Committee Chair shall
35 be a Director. The Committee shall serve from the close of the Annual Meeting until the close of
36 the next Annual Meeting and such appointment shall be announced at each Annual Meeting.
37

38 Section 2. **Nomination for Election to the Board of Directors.** Nominations for election to the
39 Board of Directors shall be made by the Nominating Committee. Nominations may also be made
40 from the floor at the Annual Meeting provided the nominee has agreed to serve. The Nominating
41 Committee shall make as many nominations from among members for election to the Board of
42 Directors as it shall in its discretion determine, but not less than the number of vacancies that are
43 to be filled. Such nominations shall reflect to the fullest extent possible the demographic
44 distribution of the members.
45

46 Section 3. **Election.** Election to the Board of Directors shall be by secret written ballot. At such
47 election the members or their proxies may cast, in respect to each vacancy, as many votes as they
48 are entitled to exercise under the provisions of the Declaration. The persons receiving the
49 majority of votes shall be elected. Cumulative voting is not permitted.
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ARTICLE VII
MEETINGS OF DIRECTORS

Section 1. **Regular Meetings.** Regularly scheduled meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be decided from time to time by the Board.

Section 2. **Special Meetings.** Special meetings of the Board of Directors may be called by the President, or by any two (2) Directors, after not less than three (3) days notice to all Directors.

Section 3. **Quorum.** A simple 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 a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

ARTICLE VIII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- Section 1. **Powers.** The Board of Directors is empowered to:
- a. Adopt and publish rules and regulations governing the use of the Common Area and facilities, and personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.
 - b. Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by CSG-V. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulation.
 - c. Exercise for CSG-V all powers, duties and authority vested in or delegated to CSG-V and not reserved to the membership by other provisions of these by-Laws, the Articles of Incorporation, or the Declaration.
 - d. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without excuse from three (3) consecutive regular meetings of the Board of Directors.
 - e. Employ a manager, an independent contractor, or such other employees as they may deem necessary, and to prescribe their duties.
 - f. Prescribe, assess, and collect fines, not to exceed one hundred dollars (\$100.00) for each violation, for violations of the restrictive covenants provided in the Declaration, and apply such other remedies as may be available to enforce the correction of violations and compliance with said covenants.

- Section 2. **Duties.** It shall be the responsibility of the Board of Directors to:
- a. Keep a complete record of all its acts and corporate affairs. The President and the Treasurer will present oral summary reports thereof to the members at the Annual Meeting.
 - b. Supervise all officers, agents, and employees of CSG-V and provide necessary oversight to ensure that all duties are properly performed.
 - c. As more fully provided in the Declaration, to:
 - (I) Fix the amount of the annual assessment against each lot not later than November thirtieth (30) of each year.
 - (II) Send written notice of each assessment to every owner subject thereto not later than November thirtieth (30) of each year.
 - (III) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay same.
 - d. Issue upon demand by any person a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of

1 these certificates. If a certificate states an assessment has been paid, such certificate shall be
2 conclusive evidence of such payment.

3 e. Procure and maintain adequate liability and hazard insurance on all property for which
4 CSG-V is responsible.

5 f. Maintain the Common Area.

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7 **ARTICLE IX**
8 **ARCHITECTURAL CONTROL**

9 Section 1. **Additions/Alterations.** Exterior additions or alterations to a unit, including decks,
10 patios, gutters and porch enclosures may be made with the approval of the Board of Directors of
11 CSG-V. Final approval will depend on several factors including the aesthetics, conformity to
12 requirements in the procedure manual and is not intrusive to the adjoining unit. It is understood
13 that decks and patios will be maintained by the homeowner. Gutters shall be installed at the
14 owner's expense but will be maintained by CSG-V.

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16 Section 2. **Approval Process.** Requests to make exterior additions to a unit need to be submitted
17 to the Chair of the Architectural Control Committee. This request shall include a detail plan of
18 the addition and a copy of the Architectural Application for Alterations and Additions. The Chair
19 will review the application with his/her committee. If the request meets the requirements for
20 approval, it will be submitted to the Board of Directors of CSG-V for final approval. Construction
21 of any addition not approved by the Board will engender a fine of not less than \$100.00 per day
22 until the structure is removed and the area is restored to its previous condition.

23
24 **ARTICLE X**
25 **OFFICERS AND THEIR DUTIES**

26 Section 1. **Enumeration of Officers.** The officers of CSG-V shall be a President and Vice-
27 President, who shall at all times be members of the Board of Directors; a Secretary and a
28 Treasurer and such other officers as the Board may from time to time by resolution create.

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30 Section 2. **Election of Officers.** The election of officers shall take place at the first meeting of
31 the Board of Directors following each Annual Meeting.

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33 Section 3. **Term of Office.** The officers of CSG-V shall be elected annually by the Board, and
34 each shall hold office for one (1) year unless he/she shall sooner resign, shall be removed, or
35 otherwise disqualified to serve.

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

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

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47 Section 6. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The
48 officer selected and appointed to such vacancy shall serve for the remainder of the term of the
49 officer he/she replaces.

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51 Section 7. **Duties.** The duties of the officers include:

1 a. **President.** The President shall preside at all meetings of the Board of Directors, the
2 Annual Meeting and all Special Meetings; shall see that policies and resolutions of the board are
3 carried out; and shall sign all leases, mortgages, deeds, and other written instruments.

4 b. **Vice-President.** The Vice-President shall act in the place and stead of the President in
5 the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other
6 duties as may be required of him/her by the Board.

7 c. **Secretary.** The Secretary shall record the outcome of all votes and keep the Minutes
8 of all meetings and proceedings of the board and of the members; post copies of the Minutes for
9 member review; affix the Corporate Seal of CSG-V on all papers requiring said Seal; and shall
10 perform such other duties as required by the Board.

11 d. **Treasurer.** The Treasurer shall be responsible for oversight of the financial matters
12 including review and appraisal of the financial statements and documents provided by the
13 management company and will assist the management company in the preparation of the Annual
14 Budget. The Treasurer will provide advice to the Board on financial affairs.

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16 **ARTICLE XI**
17 **COMMITTEES**

18 Section 1. **Appointment of Committees.** The Board of Directors shall appoint committees as
19 deemed appropriate in carrying out its purpose.

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21 Section 2. **Standing Committees.** In addition to the Nominating Committee (Article VI,
22 Section 1) other standing committees will provide oversight and address the following ongoing
23 responsibilities and concerns: landscaping and grounds, buildings and architectural control,
24 insurance, termites, long range planning, and communications. Other than the Nominating
25 Committee, more than one of these areas may be combined if necessary or if they have
26 overlapping responsibilities.

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28 Section 3. **Ad Hoc Committees.** Other committees may be formed by the Board of Directors to
29 address particular situations or needs.

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31 Section 4. **Committee Chairs and Membership.**

32 a. The President, with approval of the Board, shall appoint all committee chairs who shall
33 serve at the pleasure of the Board. Standing Committee Chairs shall be members of the Board of
34 Directors if possible. When a non-board member is more qualified and experienced, he/she may
35 be appointed as committee chair; however a board member must be a member of said committee.
36 Off board committee chairs shall provide written reports to be presented at Board meetings.

37 b. Committee members shall be selected by the committee chairs, confirmed by the
38 Board, and serve at the pleasure of the Board.

39 c. The President of CSG-V shall be member ex-officio of all Committees.

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42 **ARTICLE XII**
43 **FINANCIAL ADMINISTRATION**

44 Section 1. **Financial Report.** At each Annual Meeting, the Board of Directors shall present a
45 budget and an estimate of the annual assessment for the succeeding calendar year with a CSG-V
46 income and expense statement for the current year through the end of the month prior to said
47 Annual Meeting. Copies of the budget, assessment estimate and income and expense statement
48 will be made available to all members.

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50 Section 2. **Fiscal Year.** The fiscal year and the annual assessment period of CSG-V shall be the
51 calendar year.

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2 Section 3. **Delinquent Payments.** As more fully provided in the Declaration, each member is
3 obligated to pay to CSG-V annual and special assessments, which are secured by a continuing
4 lien upon the property against which the assessment is made. Any assessments which are not
5 paid when due, shall be delinquent. If the assessment is not paid within thirty (30) days after due
6 date, the assessment shall bear interest from the date of delinquency at the highest legally
7 permissible rate, and CSG-V may bring an action of law against the Owner personally obligated
8 to pay the same or foreclose the lien against the property, and interest, costs, and reasonable
9 attorney's fees of any such action shall be added to the amount of such assessment. No owner
10 may waive or otherwise escape liability for the assessment provided for herein by nonuse of the
11 Common Area or abandonment of his/her lot.

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13 **ARTICLE XIII**
14 **CAPITAL RESERVE FUND**

15 Section 1. **Purpose of Reserve Fund.** The Board of Directors shall continue to maintain and
16 manage the Capital Reserve Fund in order to meet expenses of major repair and/or renovations to
17 the Common Areas or buildings within CSG-V. Monies deposited in the Capital Reserve Fund
18 shall not be co-mingled with other accounts of CSG-V.

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20 Section 2. **Source of Monies.** Prior to January 1 of each year, in conjunction with the annual
21 budgeting process, the Board shall identify, announce and commit the amount to be deposited to
22 the Reserve Fund for that calendar year. The Reserve Fund for each year will be identified as a
23 percentage of the annual assessment as well as a specific dollar amount.

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25 Section 3. **Reserve Fund Policy.** Additional policies regarding the Capital Reserve Fund shall
26 be outlined in a policy statement by the Board of Directors; changes to that policy shall require a
27 super-majority (6 of the 7) vote of the Board.

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29 **ARTICLE XIV**
30 **PARLIAMENTARY AUTHORITY**

31 The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern
32 CSG-V in all cases to which they are applicable and not inconsistent with these By-Laws.

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34 **ARTICLE XV**
35 **AMENDMENTS**

36 **Amendments to the By-Laws.** CSG-V By-Laws may be amended at the Annual Meeting or at a
37 special meeting of the members with at least ten (10) days written notice of the proposed
38 amendment(s). Fifty-one percent (51%) of the membership shall be present in person or by
39 proxy; to amend the By-Laws. A majority vote of same amends the By Laws.