

BY-LAWS OF HIGH ROCK ACRES ROAD MAINTENANCE ASSOCIATION

ARTICLE 1 NAME AND PRINCIPAL OFFICE

The name of the corporation is HIGH ROCK ACRES ROAD MAINTENANCE ASSOCIATION ("Association"). The principal office of the corporation shall be located at such place as the Executive Board may from time to time determine.

ARTICLE 2 MEETINGS OF MEMBERS

2.1 **Annual Meetings.** The regular annual meeting of the Members shall be held each fall at the time and place stated in the notice of meeting, which shall be held in the counties of Buncombe or McDowell, North Carolina. The order of business at the annual Meeting shall be (1) the approval of minutes of the prior year's meeting; (2) reports of Officers and committees; (3) election of Officers whose terms are then expiring; (4) old business (5) new business.

2.2 **Special Meetings.** Special meetings of the Members may be called at any time by the President alone or by the Officers acting together as the Executive Board, or upon written request of twenty-five percent (25%) of Members who are then eligible to vote.

2.3 **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 electronic communication, at least fifteen (15) days before such meeting to each member of the Association's most recent electronic address or, if necessary, a USPS address appearing on the books of the Association for the purpose of notice. 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.

2.4 **Quorum.** The presence at the meeting of members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the votes of the Membership who are then eligible to vote shall constitute a quorum for any action, and the Members in attendance at any meeting at which a quorum is present at the opening of the meeting may continue to do business until adjournment regardless of the withdrawal of Members leaving less than a quorum. If, however, such quorum shall not be present or represented at any meeting, the Members eligible to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum of each class of Members who are then eligible to vote shall be present or represented.

2.5 **Proxies.** At all meetings of members, each member who is eligible to vote may do so in person or by proxy. All proxies shall be in writing, signed, dated, and filed with the Secretary; filing may be carried out by electronic communication. Every proxy shall be revocable by written instrument signed, dated, and filed with the Secretary, and shall in any event automatically cease upon termination of the Member's record ownership of property which qualifies them for Membership in the Association as provided in the Articles of Incorporation, whether by conveyance of record, by inheritance or descent, or by other operation of law, or upon failure to pay the minimum dues assessment.

2.6 **Open Meetings.** Meetings of the Members are not required to be open to the public or to Members who are not eligible to vote at the time of the meeting.

ARTICLE 3
OFFICERS

3.1 **Management by Officers.** The affairs of this Association shall be managed by its four (4) Officers; President, Vice-President, Secretary, and Treasurer, who are the persons designated to perform *ex-officio* all of the duties of corporate directors as allowed by North Carolina General Statutes Section 55A-8-01(c), and who shall together constitute its Executive Board. No person shall simultaneously hold more than one of the four separate offices. The Officers, when acting in a capacity reserved by law to corporate directors or as the Executive Board, shall act by per-capita majority vote, a record of which shall be kept in the corporate records in the manner of meetings or actions of directors. Any call to meeting or action taken by the Officers together shall be presumed to have been taken in their capacities as corporate directors or as the Executive Board without necessity of expressly designating their action as such.

3.2 **Duties of the Separate Officers.** The duties of the Officers in their separate capacities are as follows:

3.2.1 **President.** The President shall preside at all meetings of the Members and Officers; shall see that orders and resolutions of the Board are carried out; shall sign all contracts and other written instruments (but shall not be required to co-sign checks), and shall exercise and discharge such duties as may be required by the Officers acting together in their capacity as the Executive Board.

3.2.2 **Vice-President.** The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Officers acting together in their capacity as the Executive Board.

3.2.3 **Secretary.** The Secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and of the Members, to be presented to the Membership at its regular annual meeting; keep the corporate seal of the Association and affix it on all papers requiring a seal; serve notice of meetings of the Officers and of the Members; keep appropriate current records showing the Members of the Association together with their property addresses and electronic communication information; keep appropriate records of all votes of the Officers and Members; and receive and keep records of the Members' proxies; keep the names and electronic communication information for those Members who desire to be included in the Members' community list serve and act as the moderator/owner of the list serve. The Secretary shall, with the Treasurer, send out annual invoices for road maintenance dues and shall also exercise and discharge such other duties as may be required by the Officers acting together in their capacity as the Executive Board.

3.2.4 **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse the funds as directed by resolution of the Officers; sign all checks and promissory notes of the Association; keep proper books of account; prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting; determine and certify to the Secretary which Members are eligible to vote at the meeting; cause an annual accounting of the Association books to be made at the completion of each fiscal year; and deliver a copy of the annual budget and statement of income and expenditures to the Members who are eligible to vote as of the end of each fiscal year. The Treasurer shall, with the Secretary, send out annual invoices for road maintenance dues and also exercise and discharge such other duties as may be required by the Officers acting together in their capacity as the Executive Board.

3.3 **Term of Office.** The initial Officers named in the Articles of Incorporation shall serve until the first annual meeting of Members following the filing of the Articles of Incorporation with the North Carolina Secretary of State (or such later time as the Members elect their replacements). At each annual meeting, the Members shall elect (or re-elect, as the case may be) all four (4) Officers; President, Vice-President, Secretary and Treasurer; and the Officers of the Association shall thereafter serve one (1) year terms, or until their successors have been duly elected and qualified.

3.4 **Election of Officers.** Election of the Officers shall be by secret written ballot of a majority of Members who are eligible to vote at the time of the meeting at which the ballots are cast. The Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

3.5 **Removal or Resignation.** Any Officer may be removed, with or without cause, by secret written ballot of a majority of Members who are eligible to vote at the time of the meeting at which the ballots are cast. Any Officer may resign by giving notice to the President or, in the case of the President him or herself, to the Secretary. In the event of death, resignation or removal of an Officer by the Members, a successor shall be selected by the remaining Officers and shall serve for the unexpired term of the predecessor or, in the event of removal of all of the Officers, by vote of the Members as provided above.

3.6 **Compensation and Conflicts of Interest.** The Executive Board may determine reasonable compensation for the Officers for their services as such, subject to prior approval by majority vote of the Members eligible to vote, which shall in any event not be greater than that paid for similar services by non-profit organizations in the same locale as the Association. The Executive Board may provide for the payment of all reasonable documented expenses incurred by them in the performance of their duties, and members of the Executive Board may be engaged to provide services to the Association for reasonable compensation. No member of the Executive Board may vote on their own compensation or engagement for services, and any such vote shall be recorded in the minutes of the Association with the names of the Officers voting, and how they voted. Any transaction involving an Officer or a related party to an Officer may be undertaken only if the Officer is excluded from the discussion and approval of the transaction, a comparable valuation or competitive bid exists, and the Executive Board has determined that the transaction is in the best interests of the Association.

3.7 **Regular Meetings.** Regular Meetings of the Officers shall be held every six (6) months without notice, at such place and hour as may be fixed from time to time by resolution of the Officers.

3.8 **Special Meetings.** Special meetings of the Officers shall be held when called by any Officer after not less than five (5) days written notice to each other Officer, which may be given in person or by mail, email, or fax.

3.9 **Quorum.** A majority of the number of Officers shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Officers present at a duly held meeting at which a quorum is present shall be regarded as an act in their capacity as corporate directors. Officers may attend and be counted present for purposes of a quorum by teleconference or other means which allow full participation by all present.

3.10 **Electronic Communications; Action Taken Without a Meeting.** The Officers need not all be physically present but may conduct meetings by any electronic means of communications which allows each member to fully participate and be aware of the proceedings, such as by telephone conference call. In addition, Officers, when acting together, 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 Officers, and any action so approved shall have the same effect as though taken at a meeting of the Officers.

3.11 **Open Meetings.** Meetings of the Officers are not required to be open to the public or to Members who are not eligible to vote at the time of the meeting.

3.12 **Committees.** The Officers, acting together in their capacity as corporate directors and as the Executive Board, may appoint committees as deemed appropriate in carrying out the purposes of the Association. Members of committees may, but need not be, Officers or Members of the Association; and the members of any committee may serve on more than one committee. The President shall serve *ex-officio* as a member of all committees, and in the absence of the President the Vice President shall serve instead. It shall be the duty of each committee to select from among its membership a chair and a recording secretary to keep minutes of each committee meeting for presentation to the Executive Board within a reasonable time after the meeting is held, to be filed with the minutes of the proceedings of the Association.

ARTICLE 4 DUES AND ASSESSMENTS

4.1 **Minimum Dues and Assessments.** The Executive Board shall receive on behalf of the Association the minimum annual dues assessments required as a condition of entitlement to vote at meetings of the Membership, and shall credit such dues assessments as directed by the Member with respect to each property on which the Member's eligibility for Membership is based. All minimum annual dues are payable in cash or check and are due within 30 days of the dues invoice date. Members may volunteer services or goods related to road maintenance in lieu of dues to maintain voting status; the Treasurer should be contacted before the annual meeting to approve such exchanges.

4.2 **Other Dues, Assessments, and Contributions.** The Executive Board may also receive contributions in addition to the minimum annual dues assessment from or on behalf of the Members, including contributions designated for specific purposes, provided the Executive Board shall not accept any contribution which is designated for any purpose inconsistent with the purposes of the Association stated in its Articles of Incorporation, or which is designated for any purpose contrary to the instructions of the Members as expressed in a resolution adopted by vote of the Membership prior to the expenditure of the contribution.

4.3 **Limitations on Expenditures.** The Executive Board shall determine the manner in which the minimum dues assessment and any other contribution or revenue is expended on behalf of the Association, consistent with the purposes of the Association set out in the Articles of Incorporation, and consistent with any limitations or instructions imposed by vote of the Members at any annual or special meeting called in accordance with the By-Laws. Provided however, no such limitations or instructions may be retroactively imposed.

4.4 **Payment is Voluntary.** Payment of dues or assessments is voluntary, and no legal obligation is or shall be imposed on the Members with respect to payment of dues or assessments.

4.5 **Maintenance Consistent with the Purposes of the Association.** Members are expected to pay their road fees and maintain their property consistent with the purposes of the Association by abiding by posted speed limits, keeping driveways culverts cleared and maintaining bear-resistant garbage receptacles to keep garbage and bins off of High Rock Acres Road/Drive.

ARTICLE 5 MISCELLANEOUS

5.1 **Amendments to By-Laws.** These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a sixty seven percent (67%) majority of a quorum of Members then eligible to vote who are present in person or by proxy, and provided that a copy of the proposed amendment has been appended to the notice of meeting mailed to the Members not less than fifteen (15) days prior to the meeting. No amendment to the By-Laws shall become effective which would be contrary to or otherwise conflict with any provision of the Articles of Incorporation, and in the event of any conflict the Articles shall control.

5.2 **Contracts, Loans, Checks, and Deposits.** The Executive Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument on behalf of the Association, except no loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by the Members. Such authority may be general or confined to specific instances. All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by such officer or agent of the Association and in such manner as shall from time to time be determined by the Executive Board. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories within the State of North Carolina as the Executive Board may select.

5.3 **Corporate Seal.** The Association shall have a corporate seal in circular form having within its circumference the words: HIGH ROCK ACRES ROAD MAINTENANCE ASSOCIATION and the year of incorporation.

5.4 **Corporate Year.** The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

5.5 **Dissolution.** Upon liquidation or dissolution of the Association, either voluntary or involuntary, no director or officer of the Association or any private individual shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money or other property received by the Association from any source, after the payment of all debts and obligations of the Association, shall be distributed to the federal, state or local government of the United States for purposes consistent with those stated in these Articles, or to an organization qualifying as exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding provisions of any future United States internal revenue law.