



INSTRUMENT # 2017011592

FOR REGISTRATION REGISTER OF DEEDS  
Stephanie A. Norman  
Burke County, NC  
12/28/2017 at 12:34:52 PM  
Book 2327 Page 313 (14)  
FEE: \$26.00

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**Revised and Restated  
BYLAWS  
Of  
HIGH PEAK MOUNTAIN ESTATES, PROPERTY OWNERS  
ASSOCIATION, INC.  
(A Non-Profit Corporation)**

The *Bylaws of the Board of Directors* which have been recorded previously for High Peak Mountain Phase 1 and High Peak Mountain Phase 2 (Book 2153, Page 814-816) shall hereafter be modified and superseded by this document.  
(as approved by the members of the HPME POA, Inc., September 28, 2017)

**ARTICLE I  
Definitions**

1. Association: - The High Peak Mountain Estates, Property Owners Association, Inc., (HPME POA, Inc.) a non-profit corporation organized and existing under the laws of the State of North Carolina, including N.C.G.S. 47F-3-101.
2. Common Property: - Any real estate within the planned community HPME POA, Inc., which is owned or leased by the Association.
3. Declaration: - The *Declaration of Covenants, Conditions and Restrictions, DOC-003 of HPME POA, Inc., as revised December 8, 2012*, filed in the office of the Register of Deeds of Burke County, North Carolina, on **May 21, 2013**, and there recorded in the office of Burke County Register of Deeds. Reference is made to previous *Declarations of Covenants, Conditions and Restrictions of High Peak Mountain Estates, POA, Inc.* recorded at Burke County Register of Deeds, all of the Burke County Registry.  
  
Declaration - shall further refer to all future modifications and amendments to the same which shall be duly filed of record in the county in which the affected real property shall be located.
4. Unit: - Each unit shall consist of one lot of the High Peak Mountain Estates POA, Inc. Subdivision, as recorded in Plat Book 16, Pages 84 to 97, revisions pages 138,140,142 and Plat Book 18, Pages 3 to 12, all of the Burke County Registry.

5. Section 47F-1-103 - The definitions contained in the North Carolina Planned Community Act are hereby incorporated by reference, as if fully set forth herein.
6. Witnessed Signature – Another person who has knowledge of the person signings' identification.
7. Parliamentarian – A person with knowledge of the procedures and rules used during a debate or to conduct an official meeting of the membership where fairness to the speaker and floor are given.
8. Quorum: A quorum present at a membership meeting shall be a minimum of three (3) members from the Board, and a minimum of 10% of the total votes of the voting membership, when a vote on a non-financial matter or officer election is conducted at the meeting. A quorum present at a Board meeting shall require a minimum of three (3) Board members. (Ref 1.2.10 HPME Covenants & Restrictions)
9. HPME Communications: Membership communications may be in the form of any or all of the following methods; U. S. Postal Service, email or other electronic means, phone, FAX, or Registered Mail as appropriate. Where electronic means is used, a signed written agreement between the member and HPME is required using form LA-005. (Ref 1.2.11 HPME Covenants & Restrictions)

## **ARTICLE II**

### **Offices**

1. Principal Office. The principal office of the Association shall be located at the address of the President (as recorded with the N. C. Secretary of State) who is duly elected each October, or such other location as shall be determined by the Board of Directors.
2. Registered Office. The registered office of the Association shall be located at **High Peak Mountain Estates, POA, Inc., P.O. Box 613, Morganton, Burke County, North Carolina 28680**, or such other location as shall be determined by the Board of Directors.

## **ARTICLE III**

### **Governance of the Corporation**

#### **1.0 Scope and Purpose**

This document (HPME document DOC-006) defines HPME Bylaws, Rules and Regulations as they apply to the Board of Directors, Operating Procedures for the Board of Directors, *HPME Membership, and Security of HPME Members Website*. This document complies with DOC-003 HPME Covenants and Chapter 47F and Chapter 55A of the North Carolina General Statutes.

#### **2.0 Reference Documents**

1. Chapter 47F, North Carolina Planned Community Act, Article 1 – General Provisions.
2. Chapter 55A, North Carolina Nonprofit Corporation Act.
3. DOC-003 HPME Covenants, Conditions, Restrictions and Declaration of Easements (hereafter referred as Covenants).
4. REC-001 HPME Record of Membership
5. REC-002 HPME Building Standards
6. F-022 HPME Voting Certificate
7. F-030 Contractor/Buyer Disclaimer
8. F-032 Construction Deposit Agreement
9. F-033 Final Property Owner Checklist for Surety Deposit Refund
10. F-034 HPME Property Owner Proxy
11. F-002(A) Preliminary Architectural Check Sheet
12. F-002(B) Architectural Check Sheet
13. LA-005 HPME Webpage Approval Agreement

#### **3.0 Board of Directors**

- 3.1 Requirements - The Board of Directors shall consist of 5 voting directors (who are elected by a simple majority vote of the membership present at a meeting to elect the Board of Directors) and as many non-voting members which shall be determined and appointed by the Board of Directors. The President/Public Relations, Secretary, Treasurer, Roads and Maintenance Officer,

and Covenants Enforcement Officer are the Board positions and the only voting directors. Where a Board position is held jointly, only one (1) vote shall be cast when a vote by the Board is required.

3.1.1 Examples of non-voting board members are the Webmaster, the Gate Keeper, the Activities Director, Legal Counsel, Committee Members, etc.

3.2 Disqualified Board Members – Anyone, or his/her spouse, who is currently serving as a board member in a regionally competing development/community is disqualified as a voting director of the Board to avoid potential conflicts of interest. In the event that a disqualified person is elected, that position becomes non-voting so long as it is held by a disqualified individual.

3.3 Board Compensation - The members of the Board of Directors perform their duties without pay or compensation except that any expenses needed to perform their duties shall be returned to the officer after submitting receipts of expenses to the Treasurer. Expenses greater than 50% of the current annual base assessment shall require prior approval by 60% of the board (reference 9.4).

3.4 Terms of Office - Terms for elected officers shall run for two (2) years, from November 1 of the year elected to October 31 of the second year following election. The board's positions will be elected in alternating years. The President, Secretary, and Covenants Officer shall be elected in even numbered years, and the Treasurer and Roads Officer shall be elected in odd numbered years. For the 2017 election, the President, Secretary, and Covenants Officer will be elected for terms of one year, and beginning in 2018 they will be elected for two-year terms. There shall be no restrictions on the number of terms which a Director of this Association may be elected. Appointed members serve at the discretion of the board and may be appointed or removed by the Board at any time. Each director shall hold office until his/her death, resignation, removal, disqualification or until his/her successor is elected and qualified, unless otherwise specified by the Board of Directors.

3.5 Elections for Directors – Each director's election is held during the general fall membership meeting, usually the second weekend in October, of each year. Nominations for any officer position may be made from the floor during the meeting. Nominations by mail or electronic means must be made to the Board prior to the meeting. Election for each officer is by a simple majority vote of members present at the fall meeting, including votes cast by absentee ballot or proxy vote.

3.6 Vacancy of a Board Member - In the event that there are no nominees at the members' meeting, or any Board member is unable or unwilling to complete his or her term, the remaining Board members may appoint someone to fill the position in the interim until the next general election, with voting privileges, although this is not mandatory.

3.7 Motions to the Board - In accordance with the North Carolina Planned Community Act, Chapter 47F-3-108(c), meetings of the association and the executive board shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised.

3.8 Removal of a Board Member - Because the officers of the Board are entrusted by the members with immense responsibility, and are accountable, an officer may be removed for cause by unanimous consent of the remaining officers. Grounds for removal include, but may not be limited to, violation of the Ethics Policy, willful violation of the covenants or bylaws, filing a lawsuit against the HOA, and delinquency paying HOA assessments.

3.9 Officers Ethics Pledge – Elected or appointed officers shall either sign or verbally pledge to follow the association's ethics policy. This pledge is a qualification for serving on the Board of Directors.

3.10 Ethics Policy – See Attachment –A-

#### 4.0 Position Description for Elected Officers

4.1 All officers are expected to offer constructive input, suggestions, and feedback to strengthen the association and the community. All officers are expected to work together in a professional manner and in the best interest of all property owners without conflicts of interest following the guidelines of the covenants and bylaws. Officers are expected to participate in all board meetings.

4.1.1 Board Member qualifications are not specific for any position except that the Board Member should be familiar with the operational skills needed to perform the activities of the office.

4.1.2 Board Members are not expected nor advised to put themselves at physical risk of harm or endangerment where there are issues related to disagreements between property owners or security related activities. These issues may be presented in writing to the board of directors with more serious issues referred to the Burke County Sheriff.

## **4.2 Officers**

### **4.2.1 President**

**4.2.1.1** The President/Public Relations Officer is the first point of contact for the membership and public. This officer interfaces with the general public as well as property owners on behalf of the Board. This officer maintains good community relations on behalf of the Association and works with any property owner who has questions, concerns, or challenges. Whenever possible, the property owner will be directed to the person who can best address the issue or question. Along with at least one other board member, this officer verifies the returned vote count on any letter or electronic ballots sent to the general membership. During Board of Directors and Membership meetings, this officer, or designee, is responsible for the orderly control of the meeting agenda, to effectively conduct the meeting and ensure that the membership meetings are conducted as outlined in the agenda. This officer shall be responsible for ensuring that HPME documentation is properly written and that documents are complied with by the Board members and the membership of the Association as outlined in the documents.

### **4.2.2 Secretary**

**4.2.2.1** The Secretary's duties include, but are not limited to, arranging for the meeting place and equipment for all General Membership meetings, attending General Membership and Board of Directors meetings and recording meeting minutes. The secretary prepares and sends the meeting minutes to the Board for approval. Within 30 days of approval, the secretary will post the minutes to the Association's website and send the minutes to the membership. If the secretary cannot attend a meeting, he/she will arrange for another board member to record the minutes. The Secretary prepares and mails welcome letters to new members and also correspondence from the Board to property owners, individuals or businesses as needed. The Secretary transmits electronic email notices to the membership when necessary. The secretary mails notices or correspondence to members who do not have an email account. The Secretary mails letter ballots, for voting purposes, to members. When needed, the Secretary assists the treasurer to mail out due or past-due invoices and lien notices.

### **4.2.3 Treasurer**

**4.2.3.1** The Treasurer handles all financial activity for the association. Treasurer will ensure that Generally Accepted Accounting Practices (GAAP) rules are followed for all financial record keeping, and that an audit trail is continually maintained for 5 years. The Treasurer will prepare and mail or email to the membership all assessment invoices, past due notices, and lien notices. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by Board and/or annual Budget. At the Board's direction, the Treasurer will initiate all lien actions for delinquent assessments and as required coordinate with the association attorney. The Treasurer will respond to any financial inquiries to the association and will prepare the yearly IRS tax filing. At the Board's direction, the Treasurer will create a proposal for the annual budget to be presented to membership at semiannual fall meeting for ratification. The Treasurer will prepare the annual year ending financial reports (Revenue & Expense Report, Financial Position/Balance Sheet Report, and Budget vs Actual Summary Report), all of which will be posted to the HPME web page for members viewing and US mail non-email members 30 days after year ending. The Treasurer will maintain current year financial reports (Revenue & Expense Report, Financial Position/Balance Sheet Report, Budget vs Actual Summary Report) to be presented to the membership at each semiannual membership meeting and posting quarterly to HPME web page for members viewing. The Treasurer will monitor the Association U.S. Post Office box periodically and deliver "other" mail to the appropriate HPME Board official in a timely manner. The Treasurer and/or President, serve as signatory(ies) on all financial accounts.

### **4.2.4 Roads and Maintenance Officer**

**4.2.4.1** The Roads and Maintenance Officer is responsible for maintenance of all association roads, regulatory signs, safety mirrors, culverts and road drains. This officer, or designee, oversees all gates, street signs, security related issues,

snow removal, safety mirror placements and as necessary, mowing or spraying right of ways, and working with Covenant officer when there is storm damage cleanup or repairs required as a result of a storm. This may include development of a specific bid proposal, solicitation of bids, verifying work being done is within the legal scope of the project, verifying contractors insurance is in effect and with approval of the Board of Directors, signing the contract and monitoring the work to assure that it meets the contract specifics. . On an annual basis the Roads Officer working with Covenants Officer, shall monitor culverts, ditches, assuring flow of water is not obstructed.(Ref 9.2 of Covenants) and that a clear four foot passage from road edge is maintained.

#### **4.2.5 Covenants Enforcement Officer**

**4.2.5.1** The Covenants Enforcement Officer works with all High Peak Mountain Estates property owners to assure that they are aware of and in compliance with Covenants and Restrictions, DOC-003, and Building Standards, REC-002. This officer makes certain that property owners, who are planning to build or do an exterior remodeling on their property, receive the F-002(B) Architectural Control check sheet, F-030 Contractor/Buyer Disclaimer, and F-032 Construction Deposit Agreement.

The board highly recommends the submittal of the F-002(A), Preliminary Architectural Check Sheet to the Covenants Officer in the early planning stages of a residence before plans are completed to check the main restrictions of the covenants and building standards on a residence or outbuilding.

Once the property owner has completed plans (before acquiring permit from Burke planning board), the site plans, the building (house, addition, and/or outbuildings) drawings, and HPME required forms are to be submitted to the Covenants Officer. This officer ensures plans are in compliance with all Association Covenants and Building Standards, Doc-003 and Rec-002, and then submits required documentation to Board of Directors for review. After the Board of Directors' decision, the Covenants Officer will document and submit to property owner approval or non-approval of plans using F-002(B). If approved, this officer will collect \$1000 and a signed F-032, Construction Deposit Agreement, allowing the homeowner to start the building process.

On a minimum monthly basis, the Covenants Officer will verify that partial clearing of lots, new home construction or remodeling projects of existing structures will continue to meet the covenants requirements.

After the building or remodel is complete the Covenants Officer will prepare the Final Property Owner Checklist for Surety Deposit Refund F-033 and if approved will submit to HPME treasurer for a refund to the property owner. If violations are found this officer will list issues and submit to the board for assessment of a partial or no refund.

On an annual basis the Covenant Officer, working with Roads Officer, shall monitor culverts, ditches, assuring flow of water is not obstructed.(Ref 9.2 of covenants) and that a clear four foot passage from road edge is maintained. In the event that a homeowner/property owner is found to be in violation of the covenants, a written notice shall be delivered to the Board of Directors for appropriate action to be taken.

**4.2.6 Resignation** - A Board member may resign at any time effective upon the date of his/her actual resignation or upon any successive date. A written letter is preferred but not mandatory; a resignation shall be given to the President or any Board member. If a resignation is rescinded, it shall be in writing with a signed and dated notice to the Board of Directors. The Board shall have the authority to hold a letter of resignation for a period of their choosing before final acceptance based on specific issues related to the resignation.

**4.2.6.1** In the event that a Board member resigns or for any reason is no longer a member of the board, the password for board member access to HPME secured documents, shall be changed and reissued to the remaining board members.

**4.2.7 Committees** -The Board of Directors may designate one or more committees and appoint all chairmen and members. Each committee chairman shall continue to serve

until the beginning of the next election of a new board, or until a successor is appointed, unless the committee is terminated or such member removed.

## **5.0 Operating Procedures**

**5.1** The Board of Directors shall maintain a method of management of all activities for the best interest of the Association membership, including maintaining a consistent application of the Covenants, and other written documents as appropriate. These documents shall be made available to the general membership provided the information contained within a document is not sensitive or personal in nature. A system shall be implemented which tracks revisions to the documents, forms, standard operating procedures, records and other such documents used to maintain orderly management of the Association. All documents will be archived on the HPME Document Archive Server.

## **6.0 HPME Membership**

**6.1** Membership is defined in the Covenants as follows: "Every person (or entity) who/which is a record owner of a fee or undivided fee interest in any lot that is subject to this declaration shall be deemed to have a membership in High Peak Mountain Estates Property Owners Association, Inc. Membership shall be appurtenant to and may not be separated from such ownership. The foregoing is not intended to include persons or entity who/which holds interests merely as security for the performance of an obligation, and giving of a security interest shall not terminate the owner's membership. No owner, whether one or more persons, shall have more than one membership per lot owned. In the event that an owner of a lot is more than one person or entity, votes and rights of use and enjoyment shall be as provided for in the Bylaws, Rules and Regulations of the Association and as outlined in the HPME POA, Inc., Covenants."

- 6.1.1** A property owner(s) shall be identified only as a person(s) registered with the Burke County Register of Deeds. HPME POA membership shall be held by the property owner(s) and extended to the family/residents of the property. Use of HPME roads and other benefits of membership may be extended to guests and visitors as agreed by the property owner as recorded with the Burke County Register of Deeds. HPME POA membership shall not be used to determine legal ownership of a property or partnership of a property.
- 6.1.2** Family members and guests of an HPME POA member are at all times held to the same rules and regulations of the association. These are stated as, but not limited to: following posted speed limits on Association roads; maintaining control of gate codes and remote gate openers, hunting or operating firearms, safe operation of off-road vehicles, and maintaining a trash-free roadway.
- 6.1.3** Any HPME POA member has the option of calling a meeting with the Board of Directors to discuss issues which may be in violation of the covenants or any other issue that the Board should be aware of which may cause hardship, or otherwise make a formal complaint against the Board of Directors or another property owner(s).
  - 6.1.3.1** Once a verbal or written complaint is made to any Board member, a notice of a special Board meeting to address their issue(s) or complaints shall be given to the property owner. This meeting shall have the property owner with the complaint and all Board members in attendance to fully understand the complaint. The Board of Directors shall provide a written response to the property owner's complaint within 30 days. In the event that the party making a complaint to the Board does not attend the meeting to discuss the issue, it will be at the discretion of the President to respond to the property owner.
  - 6.1.3.2** If possible, all Board members will be present for any special meeting. If this is not possible, the property owner has the right to appeal the time and date until all Board members are present.
  - 6.1.3.3** Any special meeting held to hear a HPME POA member complaint shall be handled as any other meeting with an Agenda where all attendees will follow the meeting Code of Conduct with minutes to the meeting taken and distributed to all attendees.
  - 6.1.3.4** Follow-up meetings, if required, shall be scheduled within 30 days.

6.1.3.5 Failure to resolve a complaint between a HPME POA member and the HPME POA Board of Directors does not prevent the member from filing a complaint with the County Sheriff or seeking legal counsel on his/her behalf.

## 7.0 Use of HPME POA Roads by Non-Members, Contractors and Utility Services

- 7.1 HPME POA, and its Board of Directors, shall maintain reasonable security within the boundaries of the association. The enforcement of security systems and control of non-members entering HPME shall be the responsibility of all property owners as prudent personal safety is maintained.
- 7.2 The Board of Directors shall maintain a record of all package delivery services, utilities companies, High Peak Mountain tower personnel, law enforcement and medical emergency units, etc, which have a verified need for specific security gate code to gain entrance to the properties. The Secretary shall contact each of these services whenever the gate access code changes and supply them with the proper gate access code. Specific grant of access is given to each HPME POA member for contractors and guests at their discretion. Contractors and guest codes for gate security is changed quarterly. The Board of Directors strongly encourages each HPME POA member to consider only giving out a gate code that expires each quarter for contractors and guests.
- 7.3 It shall be at the discretion of the Board to solicit yearly payment for non-member road use.

## 8.0 HPME POA Membership Website Security

- 8.1 The Webmaster of the HPME POA Website, or assistant, shall maintain security to allow access to the website by all that have an interest in High Peak Mountain Estates Property. Within this website at: <http://highpeakestates.com> is the "Members Page" which shall be controlled by username and password. The username and password information needed to access the Members Page shall not be distributed to any non-member of the association by the Webmaster or any member of the Association without written approval of the Board of Directors.
- 8.2 Any information contained within the Members Page shall be of a nature that does not impose undue hardships with regards to personal privacy. It shall be the right of the member to contact the Secretary of the Board of Directors to remove any or all of the information related to their listing on the membership page listing. Where an address, email or phone number is removed from the website list, it shall not be removed from the official membership listing held in private control and password protected by the Board of Directors.
- 8.3 The official membership listing, Reference HPME Record of Membership - REC-001, is held by the Board of Directors and used only to maintain contacts for payment of dues, assessments and notice of announcements to the membership. Because it may contain private information about a member, it shall not be available for distribution. The membership listing on the website or the official membership listing is not a legal listing of property ownership and therefore shall not be used to support ownership for properties held within HPME POA.
- 8.4 All members are responsible for maintaining their Points of Contact information on the HPME webpage. If requested, any BoD member can modify a member's information on his/her behalf. This serves as the central location for all members contact information and shall serve as the source for the HPME Member Listing, REC-001.

## 9.0 Administering of Finances

In administering the finances of the Association, the following procedures shall govern:

- 9.1 **Fiscal Year** - The fiscal year shall be Nov 1 to Oct 31, which coincides with the Board of Directors term of offices.
- 9.2 **Allocation of Annual Assessments** - The Board of Directors shall have the discretion to allocate the annual assessments between expenses and reserves or capital expenditures.
- 9.3 **Association Expenses** - The Board of Directors is authorized to incur legally related expenses including but not limited to:
1. Attorney's fees and costs;
  2. Litigation related expenses;
  3. Expenses associated with statutory requirements such as;
    - Administration Expenses
    - Insurance Liabilities
    - Utilities
    - Beautification Projects
    - HPME Tools, Equipment and Maintenance

Security Gates and Safety Mirrors  
Mail Boxes  
Road Signs of all kinds  
Security Related Items such as cameras and recorders  
Road Replacement and Repairs  
Road-side mowing and Snow Removal  
And other such expenses as required to maintain safety.

**9.4 Board Expenditures** – Expenses—which are not identified as a line item in the budget—greater than 50% of the current annual base assessment shall require prior approval by 60% of the Board.

**9.5 Insurance and Indemnification of Directors and Officers** – The association shall maintain, to the extent reasonably available: Liability Insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements. An insurance policy issued to the association does not prevent a lot owner from obtaining insurance for the lot owner's own benefit.

The Association, through its Board of Directors, shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee or agent of the Association, against any liability asserted against him/her and incurred by him/her in any such capacity, arising out of his/her status as such. Except as prohibited by law, each Director or Officer shall be indemnified by the Association against expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made party, by reason of his being or having been an officer or director of the association (whether or not he continues in that capacity at the time of incurring such expense), except in disputes between himself and the corporation; and, in those events, he shall be entitled to indemnification should the court of competent jurisdiction find the Association to be at fault. The foregoing right of indemnification shall not be exclusive of other rights to which any director or officer may be entitled as a matter of law.

**9.6 Association Loans** - No loans shall be contracted on behalf of the Association, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors and with a minimum of 67% approval by the membership. Such authority may be general or confined to specific instances.

**9.7 Books and Records** - The Association shall keep correct and complete books and records of account including all receipts and expenditures. The books and records of the Association shall be open to inspection by members or their authorized representatives at reasonable times. Office hours are generally, Monday through Friday, 9:00 am to 5:00 pm. Authorization as a representative of a member must be in writing and signed by the person giving authorization and dated within thirty (30) days of the date of the inspection. Written summaries of the accounting records shall be made available to the members. Such records if made available shall include a record of all receipts and expenditures. HPME Receipts and Records shall be maintained for a period of 25 years by actual copies or electronic means.

**9.8 Yearly Budget** - Within 30 days after adoption by the Board of any proposed budget for HPME POA, the Board of Directors shall provide to all the members a summary of the budget and a notice of the meeting to consider approval and ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board of Directors shall set a date for a meeting of the members. This meeting is generally considered to be the Fall Membership Meeting. This meeting shall be held not less than 10 or more than 60 days after emailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting a majority of attendees, or any larger vote specified in the declaration, rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the lot owners shall be continued until such time as the lot owners ratify a subsequent budget proposed by the Board of Directors. (Ref 47F-3-103 of North Carolina Planned Community Act, Article 1, General Provisions.)

**9.9 Assessments (see also paragraph 12)** - Assessments shall be collected in amounts no more than are required to provide funds in advance for all the anticipated current operating expenses, all of the unpaid operating expense previously incurred, if any, and reserve funding. (Reference Covenants, DOC-003, paragraph 16) Notwithstanding the foregoing, the



assessments for operating expense, road expense and emergency repairs, or other expenses related to safety and any periodic installments thereof, shall be of sufficient amount to ensure adequate funds are available to meet projected expenses in any calendar year. In the event that the Board of Directors should anticipate that the Association may end its fiscal year with excess assessments (in cash or taxable income), or should that event in fact occur, then the Board of Directors may vote to apply said excess towards the operating expenditures of the subsequent year, or applied toward the road and/or security savings, or refunded to the membership.

**9.10 Anticipated Revenue or Deficit** - The Board of Directors shall not be required to anticipate revenue from assessments or expend funds to pay for operating expenses not budgeted which shall exceed budgeted items, and the Board is not required to engage in deficit spending. If a deficit results from there being greater operating expenses than income from assessments, then such deficit shall be carried into the next succeeding year's budget as a deficiency and the Board shall consider whether to increase annual assessments or to impose a possible Special Assessment.

**10.0 Associate Members.**

All persons renting a home for an extended period and/or who have an annual agreement to pay road use fees to access their property through the Association roads in High Peak Mountain Estates –POA, shall be eligible for associate memberships. Associate members shall be entitled to all benefits extended to the Association membership except that associate members shall have no voting rights. Associate Members are not required to pay dues or assessments. The specific rights and privileges for Associate Members shall be in writing and signed by the Board of Directors.

**11.0 Membership Certificates.**

No membership certificates shall be issued by the Association. A property owner(s) shall be considered a member of the HPME POA if said owner is a grantee on a deed conveying property within the development, and said deed is registered with the Burke County Register of Deeds.

**12.0 Membership Assessments**

Members shall pay all assessments as levied by the Association. Assessments are payable by January 31, and are past due after February 28<sup>th</sup> of each year. Residents who become members prior to July 1<sup>st</sup> shall pay full yearly assessments. Property Owners who become members on or after July 1<sup>st</sup> shall be assessed fifty (50) percent of annual assessments. No assessments shall be returned to the property owner in the event property ownership is transferred to another party.

**12.1** Notice of annual assessment invoice shall be sent by e-mail (U S mail to non-email members), to the member's address appearing on official Association Membership listing, REC-001, collected from the member's listing on the HPME web page, unless the member waives in writing the right to receive notice of annual assessment invoice by email. The notice of the annual assessment invoice sent by email to each member shall constitute official notice of annual assessment invoice. Email members may elect to receive notice by US Mail delivery, if such election is made in writing by the member. Waivers of receipt of the notice of the annual assessment invoice by e-mail must be filed in the Association records and maintained therein for the duration of the waiver.

**13.0 Members in Good Standing**

"Members in Good Standing" are defined as members who are current in payment of all assessments and who are in compliance with the Bylaws, Rules and Regulations of the Association and Restrictive Covenants. "Associate Members in Good Standing" are defined as members who are in compliance with the, Bylaws, Rules and Regulations of the Association and Restrictive Covenants.

**14.0 Place of Meetings**

Membership meetings shall be held within Burke County and in the State of North Carolina, as announced by the Board of Directors.

**15.0 HPME POA, Membership Meetings**

The Board of Directors shall hold two (2) semi-annual membership meetings. These meetings shall be held in April and October at a location, date and time to be designated by the Board of Directors. At the October meeting, the membership shall elect a Board of Directors in accordance with these Bylaws and

shall transact other membership business as appropriate. If a membership meeting has not been called and held within six months after the time designated for the semi-annual meeting, any member(s) may call the meeting.

**16.0 Board of Directors Meeting**

A Board of Directors meeting can be called at any time by the President or by the majority of the Board of Directors. At a minimum, the Board shall hold a meeting each quarter and report the minutes of this meeting to the membership via electronic means, U.S. Mail, or as posted on the Home Owners Association Website. When a special meeting of the Board of Directors is called with short notice, every attempt shall be made to ensure that all board members are aware of a meeting before the meeting takes place. If this is not possible, a minimum of 3 voting Board members must be present for the meeting.

**17.0 Special Membership Meetings**

A special meeting of the membership may be called at any time by the President or by the majority of the Board of Directors. A special meeting shall be held if ten percent (10%) of the membership sign, date, and deliver a written demand for the meeting to the Association's Secretary. Said demands must describe the purpose(s) for which the meeting is to be held.

**18.0 Notice of Meetings**

**18.1 Members' Meetings**--Written notice of all regular or special meetings of the membership, stating the location, day and hour of the meeting, and in the case of a special meeting, the purpose or purposes of the meeting, shall be given by the Secretary or President of the Association. This notice shall be sent or delivered to each member at least 30 days before but not more than (60) days before the date proposed for the meeting. Notice of annual meetings shall be as set forth above except that all notices of annual meetings shall be sent by e-mail or U S mail to the member's address appearing on official Association Membership listing. Unless a member waives in writing the right to receive notice of the annual meeting by email, the notice of the annual meeting shall be sent by email to each member, and the emailing thereof shall constitute notice of a meeting. Members may elect to receive notice by mail delivery if such election is made in writing by the member. Waivers of receipt of the notice of the annual meeting by mail must be filed in the Association records and maintained therein for the duration of the waiver.

**18.2 Board of Directors' Meetings**-- Notification of regularly scheduled board meetings will be included in the meeting minutes. The board meeting minutes shall contain the date, time, and location of the next scheduled board meeting. Special board meetings and executive board meetings announcements are at the discretion of the board.

**19.0 Voting Rights and Regulations**

In any regular meeting or special membership meeting, and any membership vote by Electronic Means or by membership mailed ballot, owners of property at High Peak Mountain Estates Property Owner's Association shall be entitled to cast one (1) vote for each Lot. When a Lot is owned by one (1) person his/her right to vote shall be established by the record title of his/her lot. If a lot is owned by more than one (1) person, or the person entitled to cast the vote for the lot shall be as designated by a HPME Voting Certificate – F-022, signed by all of the Record Owners of the Unit. The Certificate shall include a notarized or witnessed signature, and filed with the Secretary of the Association. In the event a lot is owned by a corporation, the person entitled to cast the vote shall be designated by a notarized Certificate to the Secretary of the Association. Such Certificate shall be valid until it is revoked or superseded by a subsequent Certificate or until the ownership of the lot is changed or recorded. The proper filing of a Certificate designating the person entitled to cast the vote of a lot is a pre-condition to that person's vote. In the event that such a Certificate is not on file, the vote of such owner shall not be considered in determining whether a quorum is present, nor for any other purpose, except if the home is owned jointly, they may, without being required to do so, designate a voting member in the manner provided above. In the event a jointly held property did not designate a voting member, the following provisions shall apply:

19.1 If all jointly held lot owners are present at a meeting and are unable to concur in a joint decision upon any subject requiring their vote, they shall lose the right to vote on that subject at that meeting, provided that their vote shall be considered in determining whether a quorum is present on that subject at the meeting.

19.2 If only one property owner is present at a meeting, the person present shall be counted for the purposes of a quorum and may cast the vote for the lot, just as though he or she owned the lot individually, and without establishing the concurrence of the absent property owners.

19.3 If all lot owners are present at a meeting and concur, any one of the lot owners may cast the vote for the lot.

## **20.0 Electronic Voting**

HPME will utilize an Internet based voting utility to collect membership votes. The HPME Voting System may be used to collect the membership votes for items such as amendments to the Covenants, Bylaws, special assessments, etc.

20.1 The system shall require the member's personal password to cast a vote. It is the member's responsibility to keep their password secure to ensure voting integrity. The system will provide a method for the validation of member votes whereby each member can find and identify their response. The system will not disclose the member's vote to the membership. Voting key codes are generated for each member as the vote is processed. The key code is to be used to identify and validate each vote.

20.2 The system will also allow each member to submit comments to the board or the general membership to be shown with the voting results. A member's vote can be changed and resubmitted until the closing date of the voting ballot. Only the last submitted vote will be counted. In the event that a property is owned by more than one person, it is the responsibility of the property's co-owners to coordinate their vote.

20.3 Members are not obligated to use the on-line voting utility. The voting ballot may be printed out, vote choices circled; the ballot signed and witnessed, and sent to the association by U.S. Mail.

20.4 Members who have not completed LA-005 or specified that they do not wish to use email, will receive voting ballots via U.S. Mail.

## **21.0 Voting Lists**

The officer or designee having charge of the official membership listing of the Association shall make available at least ten (10) days before each meeting of members, a complete list of the members entitled to vote at such meeting or any adjournment thereof. Such list shall be kept on file at the registered office of the Association for a period of ten (10) days prior to such meeting, and shall be subject to inspection by any member during usual business hours (9:00 am to 5:00 pm, Monday through Friday) or by appointment. Such list shall be maintained by the Secretary, produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member at any time during the meeting.

## **22.0 Proxies**

A member or Director who is entitled to vote may vote in person or by proxy executed in writing (DOC.F-034) by the member or his or her attorney-in-fact. In order to be effective, proxies shall be filed with the Secretary of the Association no later than the beginning of the meeting for which it applies. A proxy shall be effective only for the specific meeting for which originally given. In no event shall any proxy be valid for a period longer than eleven (11) months after the date of the first meeting/ballot for which it was given.

The person designated as a proxy will be allowed to cast no more than three votes—for his/her property, plus serving as proxy for two others. Provided, however, that no member, regardless of number of properties owned, will be required to have more than one proxy, and further provided that owners of three or more properties may also serve as a proxy for one (1) other property owner. It is expected that a proxy will be a member of HPME, but there is no requirement in North Carolina that a proxy be a member of the association. If a non-member is asked to serve as a proxy, the member is asked to notify the HPME Secretary at least one day before the meeting by phone call or email. A non-member proxy will be required to show ID upon arrival.

A proxy shall be revocable at any time at the direction of the member executing it. Every proxy shall automatically cease upon sale by the member of his interest in property in HPME.

## **23.0 Meeting Conduct**

All formal meetings of the Association, Board of Directors and its Committees shall be conducted in general accordance with Robert's Rules of Order and the Bylaws of the Association. In the event there are questions as to procedure, the presiding officer shall refer the question to the Parliamentarian for a

ruling thereon. If no Parliamentarian has been appointed, the presiding officer shall make the ruling. As much as possible, Board of Directors and Membership Meetings shall follow the Code-of-Conduct

### **23.1 Code of Conduct**

1. One person speaks at a time
2. Follow the Agenda
3. Use the 3-knock rule to stay on track
4. Start and end on time
5. Encourage participation from all
6. Be open and candid
7. Show respect for others
8. No unspoken skepticism
9. Agree to disagree
10. Be flexible
11. No profanity
12. Other rules as agreed

### **24.0 Order of Business**

The general order of business the President or his designate shall follow at annual or special meetings of the membership or Board of Directors, shall be as follows:

- A. Call meeting to order and verify a quorum present
- B. Officers Roll call
- C. Proof of notice of meeting or waiver of notice
- D. Reading of minutes or summary of previous meeting
- E. Election of Officers (if election is to be held)
- F. Report from each Board Officer
- G. Report of committees
- H. Correspondence update
- I. Unfinished Business or Parking Lot issues
- J. New Business
- K. Adjournment

- 24.1** A quorum present at a membership meeting shall be a minimum of three (3), members from the Board of Directors, and a minimum of 10% of the total votes of the voting membership, if a vote on a financial matter or officer election is conducted at the meeting.
- 24.1.1 A quorum present at a Board of Directors meeting shall require a minimum of three (3) voting Board members.
  - 24.1.2 Meeting minutes when HPME business is conducted, shall be taken by the Secretary or designate.
  - 24.1.3 Board meetings of a personal nature shall not be posted on the website. All Board meetings where minutes are taken shall be posted on the limited access board archive site.
- 24.2** A record of all officers present shall be recorded in the minutes.
- 24.3** Proof of membership meeting or waiver of notice shall be stated in the minutes.
- 24.4** The reading of previous membership meeting minute's summary, shall be read. If accepted as read or after corrections are made, a motion and second will be made to accept the minutes as recorded. Minutes of membership meetings shall be kept in a business-like manner by the Secretary of the Association and shall be posted on the Association Website for inspection by members, or their authorized representatives within 30 days of the meeting. The Association shall retain the membership meeting minutes for a period of not less than twenty five (25) years either via electronic means or paper copies.
- 24.5** Election of Officers shall be held at the fall membership meeting
- 24.6** Ratification of the Proposed Budget for the upcoming year shall be held at the fall membership meeting.
- 24.7** The meeting agenda will allow time for each officer to report on their recent and future activities as it applies to the business of the Association
- 24.8** The meeting agenda will allow time for each Committee to report on its recent and future activities as it applies to the business of the Association.
- 24.9** The meeting agenda will allow time for discussion of any on-going correspondence as it applies to the Association.

- 24.10 Meeting agenda will allow time for updating unfinished business or "Parking Lot" issues from previous meetings.
- 24.11 The meeting agenda will allow time for new business discussions and other issues which require membership notice.
- 24.12 Adjournment of the membership meeting shall be made by the presiding officer only after a motion to adjourn is made and seconded followed by a simple majority vote of the members present.

**25.0** Fixing of Record Date -

For the purpose of determining members entitled to notice of, or to vote at, any meeting of members, or any adjournment thereof, or in order to make a determination of members for any other purpose, the Board of Directors may fix in advance a date as the record date for any such determination of members, such date in any case to be not more than sixty (60) days and, in case of a meeting of members not less than thirty (30) days prior to the date on which the particular action requiring such determination of members is to be taken. If no record date is fixed for the determination of members entitled to notice or to vote at a meeting of members, the date on which notice of the meeting is emailed or postmarked, shall be the record date for such determination of members. When a determination of members entitled to vote at any meeting of members has been made, as provided herein, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date for the adjourned meeting.

**26.0** Amendments to the Bylaws -

Except as otherwise provided herein, these Bylaws may be amended or repealed and new Bylaws may be adopted by the affirmative vote of sixty-seven percent (67%) membership from which votes were received by the designated date, and upon adoption be recorded at the Burke County Register of Deeds. Notwithstanding the above, any amendment to these Bylaws may not contradict the Articles of Incorporation or the Revised and Restated Declaration of Easements, Covenants, Conditions and Restrictions (DOC-003) of High Peak Mountain Estates POA, Inc.

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IN WITNESS WHEREOF, High Peak Mountain Estates POA, Inc., a North Carolina nonprofit corporation, has hereunto caused this instrument to be signed in its corporate name by the President of the corporation, and its seal to be affixed by the authority of its Board of Directors, this the 19<sup>th</sup> day of December, 2017.

High Peak Mountain Estates POA, Inc.

By: Jim Craig  
Jim Craig, President

Corporate Seal

State of North Carolina

County of Burke

On this 20<sup>th</sup> day of December, 2017 before me personally appeared

Jim Craig, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same as his/her free act and deed, for the purposes therein set forth.

Debra Morrison Powell  
(Notary Public)

My Commission Expires: MARCH 27, 2020



**End of Document**