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## The Summit Property Owners Association Bylaws

### **Article 1 Defined Terms and Terminology**

Terms used frequently throughout these Bylaws shall have the meanings set forth below:

1.1 "Summit POA" or "POA" or "Association" or "Corporation" mean "The Summit Property Owners Association", an incorporated, non-profit organization of owners of lots with or without homes in the Summit Development located near Bostic, Rutherford County, North Carolina. The same organization was previously referred to as "Summit Owners Association" in Declaration of Restrictive Covenants for the Summit, filed December 13, 2004 (Fall Creek Land Company, Declarant). The Summit POA mailing address is 115 Summit Parkway, Bostic, NC 28018.

1.2 "Fiscal Year" means the period from January 1 of any given year to December 31 of that same year.

1.3 "Director" shall mean any person elected to serve on the Board of Directors at an Annual Meeting or as a Replacement Director under Article 3.

1.4 "Household" shall include both lots with a house and lots without a house that belong to person(s) who may or may not reside in the Summit.

1.5 "Member" shall mean (1) any adult person residing in a Household, and (2) the owner of empty lots for which household the annual dues have been paid. Such members are otherwise considered in "good standing" by the POA and eligible to participate in any and all POA activities. There is, however, one, and only one, official vote per Household when votes are taken at meetings, when voting by proxy, or when voting by mail. The right to vote belongs to the owner(s) of the Household and not to persons renting the household.

### **Article 2 Purpose of Summit Property Owners Association**

2.1 To act as a representative of the property owners plus communicate their viewpoint and protect their interests in activities such as meetings or liaison with private individuals and public entities or organizations.

2.2 To enhance friendship, cooperation and communications among the property owners by activities such as meetings of members, picnics, parties, preparation and distribution of newsletters, maps, listings of Members, and similar activities.

2.3 To collect annual dues from each Household to cover expenses plus maintain a reasonable reserve to cover emergency requirements as budgeted.

## **Article 3**

### **Administration**

3.1 The business and affairs of the Summit POA shall be managed by a Board of five Directors, which shall have all of the duties and all of the powers of a Board of Directors as defined in the North Carolina Non-Profit Corporation Act.

3.2 The Board shall act as agent and legal entity for activities such as paying bills, entering into contracts with private or public organizations, soliciting bids, plus other similar activities that are approved by the Board and ultimately beneficial to the property owners.

3.3 The Directors shall be Members of the Summit POA elected for a two-year term, and may be re-elected for a second two-year term, after which they must leave the Board. Members may serve on the Board again after they are retired for two years. Board terms shall be staggered; that is, three Directors will be elected every other year, two Directors in alternating years. (In year #1 of this arrangement [2015/2016], three Directors will be elected to two-year terms, two Directors to one-year terms – the one-year terms will not count towards “term limits”). Directors shall serve until such time as their successors are duly elected and agree to serve.

3.4 Members who are willing to serve as Directors will be determined by the Board so that a slate of well-qualified candidates can be presented at the Annual Meeting (see Nominating Committee, Article 9). Potential candidates for Director may also be nominated from the floor at the Annual Meeting. These Directors shall be elected by a majority vote at the Annual Meeting; a roll call, voice or secret ballot election may be used. If the Directors are not elected at the Annual Meeting, the current Directors hold office until an election can be held. All Directors must be Members in good standing and are expected to remain current on their dues throughout their term.

3.5 Only one person from any Household may serve as a Director at one time.

3.6 A Director may be removed by a majority vote of the Directors when such action is considered necessary and in the best interests of the Summit POA.

3.7 If a Director chooses not to serve his entire term, becomes incapable of serving, or is removed per article 3.6, the remaining Directors may elect a replacement Director to serve the remainder of the exiting Director’s term. These partial terms do not count with regard to “Term Limits”.

3.8 A majority of the Directors, including either the President or Vice President, shall constitute a quorum for meetings of the Board of Directors.

3.9 No Director shall receive any compensation for services rendered to the POA but is entitled to be reimbursed for actual expenses, such as paper, copying, postage, etc. incurred in the performance of his duties.

3.10 Action taken with the support of a majority of the Directors without a formal meeting is nevertheless considered Board action; this action should be documented in writing, signed by the Board members, and entered into the Association minutes. Electronic signatures are acceptable.

3.11 The Board of Directors shall serve until the close of elections at the next Annual Meeting, or until such time as their replacements are elected, whichever may later occur. The powers and duties of the Board of Directors shall include:

- a) The appointment of all standing and other committees or chairpersons thereof. This power may be delegated by the Board to the President. Committees shall derive their direction from the Board of Directors.
- b) The appointment of all persons or organizations to serve the Association
- c) The filling, in the Board's discretion, of vacancies on the Board of Directors until the next annual meeting
- d) Interpretation of the Bylaw
- e) The establishment of a budget, and the approval of non-budgeted expenditures. The expenditure of Association funds may only be for a purpose approved by the Board.
- f) The establishment of policy for the Association
- g) The dissolution of all standing and other committees

3.12 The Board shall have at least two yearly meetings and other such meetings as may be called at the request of the President of the Association or by any Board Member (see also 6.1).

## **Article 4 Officers**

4.1 The officers of the Summit POA are determined by the Board from those Directors elected by the Members at the Annual Meeting and shall consist of a President, Vice President, Secretary, Treasurer, and one "At Large - Committees" Director.

4.2 The President shall be the principal executive officer of the Association and shall supervise the business and affairs of the Association. He/she shall preside over all Board meetings and shall be considered a non-voting, voluntary member of all other standing and adhoc committees. He/she presides over the annual and regularly scheduled meetings of the Association. The President may represent the Association at other meetings in the community as needed.

4.3 The Vice President shall assist the President when necessary, by attending committee meetings or other community meetings on behalf of the Association. The Vice President performs the duties of the President in the event the President is unable to fulfill his/her responsibilities. He/she presides over meetings if the President is unable to attend. The Vice President is responsible for always having a copy of the most up to date bylaws and any other Association policies and procedures at all meetings and to clarify questions about these documents if they arise. The Vice President may also be called upon to assist the other officers in their duties, such as assuring association records are filed and organized.

4.4 The Secretary shall keep the minutes of all regularly scheduled meetings as well as all Board meetings. The Secretary shall also be responsible for keeping accurate records of all Association business, including but not limited to, all minutes, meeting notices, correspondence, copies of financial reports, copies of up to date bylaws, articles of incorporation paperwork, copies of all newsletters, copies of all requests for funds generated by the association and any other historical document that pertains to the ongoing business of the Association. The Secretary will pass this information on to the next Secretary at the end of his/her term.

4.5 The Treasurer shall be responsible for all funds of the Association. He/she shall receive and issue receipts for monies due and payable to the Association from any source and deposit all monies in the name of the Association in the financial institution selected by the Board. The Treasurer will prepare accurate and timely financial reports to be presented to all members at every regularly scheduled membership meeting and Board meetings. The Treasurer is responsible for assuring all bank statements and other Association records are kept neatly filed and safe. The Treasurer is responsible for assuring all residents are aware of the amount of the annual dues. The Treasurer is accountable for all expenditures of the Association and must keep good records, including receipts, to back up every transaction.

4.6 The "At Large - Committees" Director shall serve as a liaison to Summit Standing Committees and be assigned such responsibilities as the President and Board determine appropriate and necessary to best meet the objectives of the POA.

## **Article 5 Fees and Dues**

5.1 The homes in the Summit are of the size normally considered as "single family dwellings." Should two or more families and/or additional persons own/occupy the same house, such group is considered as one "Household" both for the purpose of paying dues and voting at meetings.

5.2 The Treasurer will prepare and present a detailed Financial Review to the Board of Directors sometime in the period of May to August of each year. This review will include the current balance, the income and expenditures to date, a forecast of income and expenditures through December 31, and an estimate of income and expenditures for the following Fiscal Year. Also included in this review will be recommendations for the minimum balance to maintain in the POA Treasury and the Annual Dues to be paid for the following Fiscal Year.

5.3 After review and discussion, the Board shall establish a budget and annual dues for the next Fiscal Year. A summary of the Financial Review, including the budget for the following year and the next Annual Dues, shall be prepared and distributed to each Household on or before September 1 of each year.

5.4 The budget for the following Fiscal Year must be approved by the Members at the Annual Meeting.

5.5 Annual dues for a fiscal year are due and payable on January 1 of the current year. Failure to pay these dues by August 1 of the fiscal year forfeits all rights of that Household to vote at POA meetings or for residents of that Household to participate in POA activities until such dues are paid in full.

5.6 If the owner of a rented home does not pay the Association dues, the renter may pay the annual dues and be non-voting members of the Association.

## **Article 6 Required Meetings**

6.1 The Board of Directors shall have a full, formal Board meeting at least twice during the year (see also 3.12). At the discretion of the President, additional full or limited attendance Board meetings can be held to cover specific situations that may arise. Also, special meetings of the Board may be called at the request of two Board members.

6.2 An Annual Meeting of all Members shall be held on a Saturday each September. Required topics at this meeting are election of new Directors of the POA, a status report by the President, and a report by the Treasurer. A majority vote of the Households attending is necessary to approve any motion. If needed, the Board may alter the date but Members must be notified of the change before July 15th.

6.3 Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the Secretary shall cause notice to be hand delivered or sent prepaid by US mail to the mailing address of each Lot or to any other mailing address designated by the Lot Owner. The notice of any meeting shall state the time and place of the meeting and items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove a Director or Officer.

6.4 A quorum at the Annual Meeting shall consist of 20% of the Households, including those voting by proxy. In the event a quorum is not present, the President can propose that a quorum be "declared to exist" under which motions can be passed and business conducted if such proposal is supported by at least a 2/3 vote of the Households present.

6.5 Additionally, the Annual Meeting is an opportunity for Members to publicly question the President (or other Board Members) on past activities and/or present motions concerning future activities. Robert's Rules of Order will be followed at the Meeting and each person speaking must first clearly state their name so he can be checked against the list of current Members. Persons not current Members of the Summit POA may attend the Annual Meeting as observers but are not permitted to vote, make motions, or otherwise address the gathering unless specifically invited to do so by the Board.

6.6 Special Meetings of the Members may be called at any time by the President, or Lot Owners holding ten percent (10%) of the votes in the Association. At the discretion of the Board, a Special Meeting of all Members may be held as needed. Such a meeting would be primarily to inform the Members of the current status of various activities and to solicit suggestions for items to be considered and/or acted upon by the Directors in the near future.

## **Article 7 Financial Transactions**

7.1 The funds of the POA shall be expended in accordance with the approved/amended annual budget and future forecast.

7.2 All checks or withdrawals of funds less than \$2,000 must be signed by the Treasurer and approved by the President or Vice President. Checks or withdrawals over \$2,000 must be signed by both the Treasurer and the President, and also approved by the Vice President (preferred) or the Secretary.

7.3 In an emergency, such as immediate payment for snow removal services, any Director is permitted to make financial commitments on behalf of the POA and, with receipts or other suitable documentation, receive full reimbursement later from the Treasurer. If circumstances permit, and absent the Treasurer and/or President, the concurrence of another Director is strongly suggested prior to making such an emergency payment.

7.4 The Board may authorize any officer to enter into a contract or execute/deliver any instrument on behalf of the Association.

7.5 No loans shall be contracted on behalf of the Association and no indebtedness shall be issued in its name unless authorized by resolution of the Board of Directors.

## **Article 8 Modifications of Bylaws**

8.1 These bylaws may be amended, repealed/replaced by the affirmative vote of a majority of the Members (as defined in 1.5).

8.2 The revised bylaws shall be posted on the Association website.

## **Article 9 Committees**

The Board shall appoint standing and other committees as deemed appropriate in carrying out its purpose. Typical Standing Committees could include:

- **Nominating** -- assists the Board in researching candidates to serve on the Board of Directors
- **Architectural Review** -- interprets proposed buildings/building modifications to ensure they conform with Summit covenants. Any Member considering construction of a structure on their property (initial construction, addition/modification, new building, etc.) must secure approval from the Architectural Review Committee before construction is commenced. This committee also assigns individual special gate codes for use by vendors during such construction.
- **Website** -- monitors the Association website, post materials, keep information current
- **Beautification** -- suggests/implements improvements to Summit landscaping, etc.
- **Roads** -- suggests/implements investments that preserve road integrity
- **Security** -- monitors the Summit's entrance gate, works with vendors to ensure gate is in working order, monitors cameras and recommends upgrades when required

## **Article 10 Unusual Situations**

In any situation not covered elsewhere in these Bylaws, either explicitly or by inference, the President, with the concurrence of the Board of Directors, is fully empowered to recommend and take any actions that may be necessary to meet the objectives of Article 2.

## **Article 11 Election as a Section 501(C)(3) Corporation**

This corporation is organized as a Section 501(C)(3) exempt organization under same section of the Internal Revenue Code of 1986 (or as amended). Upon dissolution of the corporation, the Board shall, after making payment of all corporate liabilities, dispose of the assets of the corporation in accord with provisions of Section 501(C)(3).

Calendar Requirements:

- **MAY to AUGUST** - Treasurer will prepare and present a detailed Financial Review to the BOD.
- **AUGUST to SEPTEMBER** - Held on a Saturday in September unless the membership is sent a notification of change by July 15th. **Not less than 10 days nor more than 60 days** in advance of any meeting, the Secretary shall notify via USPS.
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