

BYLAWS OF THE BULL MOUNTAIN PROPERTY OWNERS ASSOCIATION

ARTICLE 1

NAME AND LOCATION

The name of the corporation is the Bull Mountain Property Owners Association, hereinafter referred to as the "Association". The principal office of the Association shall be located at 17505 West Catawba Avenue, Suite 350, Cornelius, North Carolina, but meetings of members and directors may be held at such places as may be designated by the Board of Directors.

ARTICLE 2

INCORPORATION OF DECLARATION, POWERS OF THE ASSOCIATION

2.1 Declarations. That Declaration of Covenants, Reservations, and Restrictions (hereinafter referred to as the "Declaration") for Bull Mountain Subdivision as the same is recorded in Book 1034, Page 317 of the Wilkes County, N.C. Registry, and as the same may be amended from time to time, is herein incorporated by reference. It shall be the duty of the Association to exercise those duties imposed on them by said Declaration and fulfill the intents and purposes set forth in said Declaration for the general welfare of those persons owning property within Bull Mountain Subdivision.

ARTICLE 3

EXECUTIVE BOARD / SELECTION / TERM OF OFFICE

3.1 Number. An Executive Board of five (5) directors, who need not be members of the Association, shall manage the affairs of this Association.

3.2 Term of Office. At the first annual meeting, the members shall elect two (2) directors for a term of one (1) year, two directors for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the members shall elect directors to fill any vacancies for a term of three (3) years.

3.3 Removal. Any member of the executive board may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a member, his successor shall be selected by the remaining members of the Board and shall serve for the un-expired term of his predecessor.

3.4 Reimbursement of Expenses. Any board member may be reimbursed for his actual expenses incurred in the performance of his duties, except that the nature of such expenses shall be approved in advance by the board. Board members shall not be paid a salary or otherwise be compensated for service on the Board.

3.5 Action Taken Without Meeting. The members of the board 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 members. Any action so approved shall have the same effect as though taken at a meeting of the board.

3.6 Board Members Liability/Indemnity. Any person who at any time serves or has served as a member of the board of the Association, shall have a right to be indemnified by the Association to the fullest extent permitted by law against (a) expenses, including reasonable attorneys fees, actually and necessarily incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, whether formal or informal, and whether or not brought by or on behalf of the Association, arising out of his or her status as such member of the executive board, or his or her status as an officer, employee or agent of the Association, or his or her service, at the request of the Association, as a board member, officer, partner, trustee, employee or agent of any other Association, partnership, joint venture, trust or other enterprise or as a trustee or administrator under an employee benefit plan, or his or her activities in any of the foregoing capacities, and (b) any liability incurred by him or her, including without limitation, satisfaction of any judgment, money decree, fine (including any excise tax assessed with respect to an employee benefit plan), penalty or settlement, for which he or she may have become liable in connection with any such action, suit, or proceeding.

The Executive Board of the Association shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by this by-law, including without limitation, to the extent necessary, (a) making a good faith evaluation of the manner in which the claimant for indemnity acted or the reasonable amount of indemnity due him or her and (b) giving notice to and obtaining approval by the shareholders of the Association.

Expenses incurred by a board member in defending an action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of the undertaking by or on behalf of the member to pay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association against such expenses.

Any person who at any time after the adoption of this by-law serves or has served as a member of the executive board of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein, and any modification or repeal of these provisions for indemnification shall be prospective only and shall not affect any rights or obligations existing at the time of such modification or repeal. Such right shall inure to the benefit of the legal representatives of any such person, shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of this by-law, and shall not be limited by the provisions for indemnification in Sections 55-8-51 through 55-8-56 of the North Carolina Business Corporation Act or any successor statutory provisions.

Any person who is entitled to indemnification by the corporation hereunder shall also be entitled to reimbursement of reasonable costs, expenses and attorneys fees incurred in obtaining such indemnification.

ARTICLE 4

NOMINATION AND ELECTION OF BOARD MEMBERS

4.1 Nomination. A Nominating Committee shall make nomination for election to the Executive Board. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and the appointments shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

4.2 Election. Election to the Executive Board shall be by written ballot. At such election the members or their proxies may cast in respect to each vacancy, as many votes as they are entitled to exercise according to the Class of membership under the provision of the Declaration. The person receiving the largest number of votes shall be elected.

ARTICLE 5

MEETINGS OF THE EXECUTIVE BOARD

5.1 Regular Meetings. Regular meetings of the Executive Board shall be held after notice to the Board, at such place and hour as may be fixed from time to time by resolution of the Board. Such resolution may be posted at the bulletin board. At regular intervals, the board meeting shall provide lot owners an opportunity to attend a portion of a board meeting and to speak to the board about their issues or concerns. The board may place reasonable restrictions on the number of persons who may speak on each side of an issue and may place reasonable time restrictions on persons who speak. Board meetings shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised.

5.2 Special Meetings. Special meetings of the Executive Board shall be held when called by the President of the Association, or by any two (2) board members, after not less than three (3) days notice to each member.

5.3 Quorum. A majority of the number of Executive Board members shall constitute a quorum for the transaction of business. For meetings of the Association for the regular conduct of business, a quorum shall consist of the owners of 10% of the lots, in person or by proxy. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of members, if any action taken is approved by a majority of the required quorum for that meeting.

ARTICLE 6

POWERS AND DUTIES OF THE EXECUTIVE BOARD

6.1 Powers. The Executive Board shall, as more fully set out in the declaration, have power to:

- (a) Exercise for the Association all powers, duties and authority vested in or delegated to this Association in Article II hereof and not reserved to the membership by other provisions of these Bylaws or the Declaration;

- (b) Declare the office of a member of the Board to be vacant in the event such member shall be absent for three (3) consecutive regular meetings of the Board;
- (c) Employ a manager or such other employees, or independent contractor as they deem necessary, and prescribe their duties;
- (d) Perform all duties of the Executive Board as set out in Section 2 below;
- (e) Represent the Association in its legal capacity including the bringing, maintenance, negotiation, and settlement of legal actions, disputes, or claims of any nature.

6.2 Duties. It shall be the duty of the Executive Board to:

- (a) Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (1) Fix the amount of the annual and special assessments against each lot at least thirty (30) days in advance of each such assessment;
 - (2) Send written notice of each such assessment to every owner subject thereto at least thirty (30) days in advance of each such assessment;
 - (3) Foreclose the lien against any property for which such assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same, or take such other appropriate action as deemed necessary.
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. The Board for the issuance of these certificates may make a reasonable charge. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) Cause the common area and roads to be maintained and employ employees or independent contractors to that end, as necessary;

- (h) Appoint and fill vacancies on any committee as required by the Declaration, or as necessary for the affairs of the Association. These Committees shall be governed by the terms hereof which relate to "Special Appointments;"
- (i) Procure and maintain adequate Directors and Officers, Errors and Omissions Insurance policies;
- (j) Publish the names and addresses of all officers and board members of the association within 30 days of their election;
- (k) Establish and periodically adjust by resolution, an impact fee to be paid by lot owners at the time construction commences on a lot. Such impact fee shall be collected as an Individual Site Assessment as provided in the Declaration, and shall be generally calculated to compensate the Association for the extraordinary impact of heavy loads of materials and equipment used in home construction;
- (l) Adopt and maintain a regulation(s) listing and defining key words and phrases used in the governing documents, as needed to promote consistent interpretation, application and implementation of such documents.

ARTICLE 7

OFFICERS AND THEIR DUTIES

7.1 Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Executive Board, a secretary, and a treasurer, and such other officers as the Board may from time to time, by resolution, create.

7.2 Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the members.

7.3 Term. The Board shall elect the officers of this Association annually and each shall hold office for three (3) years unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

7.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

7.5 Resignation and Removal. The Board may remove any officer from office with or without cause. Any officer may resign at any time giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve the remainder of the term of the officer he replaces.

7.7 Multiple Offices. The same person may hold the offices of secretary and treasurer. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

7.8 Duties. The duties of the officers are as follows:

- (a) **President:** The president shall preside at all meetings of the Executive Board ; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes. The President may delegate to any board members authority to cosign checks in absence of the president or treasurer.
- (b) **Vice-President:** The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) **Secretary:** The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses, and shall perform such other duties as required by the Board.
- (d) **Treasurer:** The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Executive Board ; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an audit of the Association books to be made by a public accountant once every three years with an independent review of the financial records in the intervening years; and shall prepare an annual budget, balance sheet and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to its members. The independent review may be done by a member of the Association who is not a member of the Executive Board.

ARTICLE 8 **COMMITTEES**

The Association shall appoint an Architectural Committee, and a Nominating Committee, as provided in these By-Laws and the Declaration. In addition, the Executive Board shall appoint other committees as deemed appropriate in carrying out its purpose.

8.1 Architectural Review Committee. There is hereby created an Architectural Review Committee (ARC) which shall review all construction plans and construction progress to ensure that all construction conforms to covenants and restrictions and to plans as approved by ARC. The Committee shall consist of not less than three (3) nor more than seven (7) *members of the POA* appointed by the Board for two year staggered terms. The Board may reappoint members to succeed themselves. The committee members shall elect a Chairperson and a Vice Chairperson for terms of two years. The Vice Chairperson shall preside in the absence of the Chairperson.

ARTICLE 9
BOOKS AND RECORDS

9.1 Copies of Declaration and Bylaws. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration and the By Laws of the Association shall be available for inspection by any member at the principle office of the Association, where copies may be purchased at a reasonable cost.

9.2 Member Access to Books and Records. The association shall keep financial records sufficiently detailed to enable the association to comply with *all* North Carolina General Statutes. All financial and other records, including records of meetings of the association and board, shall be made reasonably available for examination by any lot owner and the lot owner's authorized agents as required in Chapter 55A of the General Statutes. The association shall keep accurate records of all cash receipts and expenditures and all assets and liabilities. In addition to any specific information that is required elsewhere in these bylaws to be assembled and reported to the lot owners at specified times, the association shall make an annual income and expense statement and balance sheet available to all lot owners at no charge within 75 days after the close of the fiscal year to which the information relates. Notwithstanding the bylaws, a more extensive compilation, review, or audit of the associations' books and records for the current or immediately preceding fiscal year may be required by a vote of the majority of the board or by the affirmative vote of a majority of the lot owners present and voting in person or by proxy at an annual meeting or any special meeting duly called for that purpose.

19.3 Statement of Unpaid Assessments. The association, upon written request shall furnish to a lot owner or the lot owner's authorized agents a statement setting forth the amount of unpaid assessments and other charges against a lot. The statement shall be furnished within 10 business days after receipt of the request and is binding on the association, the board, and every lot owner.

ARTICLE 10
AMENDMENTS

10.1 Amendment of Bylaws. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

10.2 Bylaws Relation to Declaration. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE 11
MISCELLANEOUS

The fiscal year of the Association shall begin on the start of the first day of January and end on the close of the 31st day of December of each year.

IN WITNESS WHEREOF, we, being all the members of the Executive Board of the BULL MOUNTAIN PROPERTY OWNERS ASSOCIATION, INC. certify that the foregoing

