

**BY-LAWS OF  
RED MOUNTAIN OWNERS, INC.**

**ARTICLE I**

**NAME AND LOCATION**

The name of the non-profit corporation is Red Mountain Owners, Inc., is also commonly referenced as the Red Mountain Homeowners Association, hereinafter referred to as the "Association". Red Mountain Subdivision is located in northern Durham County, Rougemont, North Carolina.

**ARTICLE II**

**DEFINITIONS**

**Section 1.** "Association" shall mean and refer to Red Mountain Owners, Inc.

**Section 2.** "Common Area" shall mean all real property owned or leased by the Association for the common use and enjoyment of the owners.

**Section 3.** "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration of Covenants, Conditions and Restrictions.

**Section 4.** "Owner" shall mean and refer to the recorded lot owner(s), whether one or more persons or entities, of the fee simple title to any real property restricted to the Declaration of Covenants, Conditions and Restrictions of Red Mountain Owners, Inc.

**Section 5.** "Officer" shall mean and refer to an elected officer to a position on the Executive Board to act on behalf of the Association.

**Section 6.** "Lot" shall mean a physical portion of the subdivision designated for separate ownership or occupancy by a lot owner as defined in the Declaration of Covenants, Conditions and Restrictions.

**Section 7.** "Fiscal Year" shall begin on the 1<sup>st</sup> day of January and end on the 31<sup>st</sup> day of December.

**Section 8.** "Executive Board" means the body designated in the Declaration to act on behalf of the Association. The Executive Board is also referred to as the "Board".

**Section 9.** "Declaration" means the Declaration of Covenants, Conditions and Restrictions of the Association.

## ARTICLE III

### **MEETINGS of MEMBERS and EXECUTIVE BOARD**

#### **Section 1. Quorums.**

1. A quorum is present throughout any meeting of the Association if persons entitled to cast ten percent (10%) of the votes, which may be cast for election of the Executive Board, are present in person or by proxy at the beginning of the meeting.
2. A quorum is deemed present throughout any meeting of the Executive Board if persons entitled to cast sixty percent (60%) of the votes on the Board are present at the beginning of the meeting.

**Section 2. Meetings of the Executive Board.** Regular meetings of the Executive Board shall be held monthly. Place and hour may be fixed from time to time by the Executive Board. Meetings of the Executive Board shall be open to all members of the Association.

**Section 3. Annual Meeting.** An Annual Meeting of the Association members shall be held within the month of October. The Executive Board shall announce the date, time, place and agenda of the Annual Meeting to the Association with no less than 30 nor more than 60 days notice.

**Section 4. Special Meetings of the Association.** The purpose of a Special Meeting is to address issues requiring votes from the Association members. The President or majority of the Executive Board may call the meeting with no less than 30 nor more than 60 days notice. The agenda of the Special Meeting must be limited to the specific reason to hold such a meeting.

**Section 5. Emergency Meeting of the Executive Board.** The President or majority of the Executive Board, or upon written request signed by one-tenth of all the members who are entitled to vote, may call an Emergency Meeting. The meeting must be conducted as if it were a regular meeting of the Executive Board except for the following:

1. The meeting may be held three (3) days following notification.
2. The agenda for the meeting must be limited to the specific reason to hold such a meeting.

**Section 6. Executive Board Closed Session Meeting.** For circumstances related to litigation or personnel, the Executive Board may hold a closed-door session of the elected officers. Committee members, non-board members or members of the Association may not be present. Seventy Five percent (75%) of the officers shall be present to conduct business. In the event an officer cannot be present to cast a vote for any action to be taken he/she may provide a proxy, which states which officer may cast his/her vote.

1. **Notice of an Executive Board Closed Session Meeting** – The Closed Session Meeting maybe called by any officer and need not be announced to the members of the Association. In the event action is required of the Board but a meeting is not feasible, authorization for the action can be granted in writing with 75% of the Board’s approval. Copies of the document(s) must be included as part of the minutes. Either on its own or part of the next meetings minutes.
2. **Agenda** - The agenda and any actions taken shall be limited to issues of litigation and issues regarding conduct of officers and committee members.
3. **Minutes** – The Secretary or another officer appointed by the Board shall keep minutes of each session.

**Section 7. Notice of Meetings.** Notice of each meeting of the Executive Board shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing such notice to the member's address last appearing on the books of the Association, or electronically, at least 15 days before such meeting to each member. Such notice shall specify the place, day and hour of the meeting.

**Section 8. Actions Taken.** Every act or decision made by a majority of the officers present at a duly held meeting at which a quorum is present shall be regarded as the act of the Executive Board.

**Section 9. Action Taken Without a Meeting.** "Action" refers to physical or financial action taken on behalf of the Association. No officer or organizations assigned by the Executive Board may take action without prior authorization. Authorization must be provided during an open meeting of the Association, except for the following:

1. As provided for under Executive Board Closed Sessions Meeting.
2. Unauthorized actions maybe taken by an officer in a situation that would be customarily considered to be emergency related and present an immediate threat to human life, danger to resident horses or damage to common grounds.

**Section 10. Proxies.** At meetings of Association members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot. A separate proxy must be prepared for each applicable meeting.

**Section 11. Agenda Items by Members.** A voting member may request a matter for discussion to be added to the agenda of a Regular Meeting of the Executive Board or to the Annual Meeting of the Association.

1. The request must be made in writing and received by the Secretary or President at least 15 days prior to the scheduled meeting. The request must include a description of the matter to be discussed and amount of time required.
2. In the event the request is made for the Annual Meeting of the Association, the Board retains the right to postpone the request to the next Regular Meeting of the Executive Board. If so, the Board must reply 5 days prior and announce such postponement at the Annual Meeting.
3. The Board may not postpone the request more than twice in succession before being granted.

## **ARTICLE IV**

### **SELECTION of the EXECUTIVE BOARD and TERMS OF OFFICE**

**Section 1. Enumeration of Offices.** The Executive Board will consist of no less than five officers. The offices shall be President, Vice-President, Secretary, Treasurer, and a fifth officer whose title and responsibility shall be defined by the Board. Any office of the Executive Board need not be held by a member of the Association, but shall be elected by the members of the Association. The Executive Board shall consist of a majority of members of the Association.

1. **President:** The president shall preside over all meetings of the Association and Executive Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, promissory notes and other written instruments.

2. **Vice-President:** The Vice-President shall act in place 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/her by the Board.
3. **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; 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.
4. **Treasurer:** The Treasurer, or a management agent for the Association on behalf of 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; keep proper books of account; cause an annual audit of the Association books to be made by public accountant or a financial committee after the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at the annual meeting.

**Section 2. Term of Office.** The officers of the Association shall be elected annually and hold office for one year, with the exception of the Vice President. At the first election following the adoption of these By-Laws the members of the Association shall elect all officers. At each subsequent election the outgoing Vice President shall occupy the office of President and the Association shall elect the officers for the remaining four positions.

**Section 3. Removal and Successor.** Any officer of the Executive Board may be removed from office with or without cause under the following conditions;

1. Members of the Association may remove any officer by a 67% vote of a quorum. Quorum shall be 30% of the members of the Association. Members must be present and entitled to vote.
2. In the event any officer loses his privileges of membership in the Association as defined in the Declaration of Covenants, Conditions and Restrictions, the Board must consider the individual removed from his/her position.
3. In the event any officer misuses his/her position for personal gain or against the interests of the Association the Board is obligated to request their resignation. If the officer refuses to resign the Board may solicit the membership to vote for removal as defined in Article IV Section 3.1.
4. Removal from office does not have to be accepted by the removed Officer to be effective.

In the event of death, resignation or removal of an officer, the Executive Board shall solicit and select his/her successor. The successor shall serve for the unexpired term of their predecessor. Exception would be the office of the President. In the event the office of President becomes vacant, the Vice President shall assume his/her duties and serve the remainder of the President's term.

**Section 4. Resignation.** Any officer may resign at any time giving written notice to the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 5. Compensation.** No officer shall receive compensation for any service he may render to the Association. However, actual expenses incurred in the performance of their duties may be reimbursed. The Executive Board must approve all reimbursed expenses.

## ARTICLE V

### NOMINATION and ELECTION of OFFICERS

**Section 1. Nomination.** Nominations for election to the Executive Board shall be provided by a Nominating Committee (consisting of members of the Association) at least 30 days prior to election at the annual meeting. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall make as many nominations for election to the Executive Board as it shall in its discretion determine, but no less than the number of vacancies that are to be filled.

**Section 2. Election.** Election to the Executive Board shall be made by written ballot and held at the Annual Meeting. At such election the members or their proxies may cast, in respect to each vacancy, as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. The newly elected officers of the Executive Board will assume their positions as officers of the Board immediately after their election. With the exception of the President, the officers of the Board will elect the officer roles for the Board following the election.

## ARTICLE VI

### POWERS and DUTIES of the EXECUTIVE BOARD

**Section 1. Powers.** The Executive Board shall have power to:

1. Adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
2. Suspend the voting rights and right to use the common areas of a member during any period in which, such member shall be in default in the payment of any assessment levied by the Association.
3. Suspend the voting rights and right to use the common areas of a member after notice and or a hearing for infraction of published rules and regulations;
4. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
5. Declare the office of a member of the Executive Board to be vacant in the event such member shall be absent from three consecutive regular meetings of the Executive Board; and
6. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

**Section 2. Duties.** It shall be the duty of the Executive Board to:

1. Cause to be kept a complete record of all its acts and corporate affairs. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. Except for the minutes regarding issues still being resolved under the Executive Board Closed Session Meetings clause. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member. The Association may charge reasonable rates to cover costs for copies of these records requested by any member.
2. Supervise all committees, agents and employees of this Association, and to see that their duties are properly performed;
3. As more fully provided in the Declaration, to:

- a. Fix the amount of the annual assessment against each Lot at least 30 days in advance of each assessment period;
  - b. Send written notice of each assessment to every Owner subject thereto at least 30 days in advance of each annual assessment period; and
  - c. Foreclose the lien against any property for which assessments are not paid within 30 days after due date or to bring an action at law against the Owner(s) personally obligated to pay the same.
4. 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. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
  5. Procure and maintain adequate liability and hazard insurance on property owned by the Association and liability insurance for the officers of the Executive Board;
  6. Cause the Common Area to be maintained.

## **ARTICLE VII**

### **SUBSEQUENT COMMITTEES**

**Section 1. Architectural Control Committee.** The Board shall maintain an Architectural Control Committee, as provided in the Declaration of Covenants, Conditions and Restrictions of Red Mountain Owners, Inc. The Board shall appoint a Chairperson to head such committee.

**Section 2. Nominating Committee.** The Board shall maintain a Nominating Committee to solicit and obtain nominees for election to the Executive Board. The Board shall appoint a Chairperson to head such committee.

**Section 3. Special Committees.** The Board may establish other committees as the affairs of the Association may require. The Board shall define the committee's objectives, and authority, and appoint a Chairperson to head such committees.

**Section 4. Removal and Successor.** The Board may remove with or without cause, any committee member. In the event of death, resignation or removal of a committee member, the board shall solicit and select his/her successor.

**Section 5. Compensation.** No Committee member shall receive compensation for any service he/she may render to the Association. However, actual expenses incurred in the performance of their duties may be reimbursed. The Executive Board must approve all reimbursed expenses.

**Section 6. Enumeration of Committees.** Committees shall normally consist of no less than two members unless circumstances dictate otherwise and is approved by the Board.

**ARTICLE VIII**

**AMENDMENTS**

**Section 1.** These By-Laws may be amended, at a Meeting of the Association, by a vote of a majority of a quorum of members present in person or by proxy; and by seventy-five percent (75%) of the Executive Board.

**ARTICLE IX**

**CERTIFICATION**

This here By-Laws shall amend all previous versions of said By-Laws and are adopted in witness whereof, we, being the officers of Red Mountain Owners, Inc., have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
President

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Signature & Title of Fifth Officer

Original signed document along with members signatures and/or proxies are on file with the Secretary of the Association.