

# **Mountain Valley Homeowners' Association Bylaws – Effective October 1, 2023**

## **Article 1**

### **Defined Terms and Terminology**

Terms used frequently throughout these Bylaws that start with Capital Letters (for example "Fiscal Year") shall have the meanings set forth below:

1.1 "MVHA" shall mean the Mountain Valley Homeowners' Association, a North Carolina Incorporated, Non-Profit organization of owners of lots with or without homes in the Mountain Valley Subdivision of Henderson County, North Carolina.

1.2 "Fiscal Year" means the period from October 1 of any given calendar year through September 30 of the next calendar year.

1.3 "Board" shall mean "Board of Directors." "Director" shall mean any Member "in good standing" elected to serve on the Board of Directors at an Annual Meeting or as a Replacement Director under Article 3.8.

1.4 "Owner(s)" shall mean the names(s) on the current deed to a property or on the current real estate property tax bill, including name(s) that are in a trust. All owners are Members of the MVHA. Owners pay one set of dues even if they own undeveloped, buildable lot(s).

1.5 "Member(s)" shall mean the owner(s) of a property with or without a residence in the Mountain Valley Subdivision and who are required to pay MVHA dues on the property. There may be multiple Members in a household. Members are not necessarily residents; they can be landlord(s) or owner(s) of undeveloped, buildable lot(s). Members have one vote per household or undeveloped, buildable lot in MVHA proceedings, no matter the size of the household or the number of undeveloped, buildable lots owned. Members "in good standing" are current on all dues and special assessments.

1.6 "Household" shall mean the collective term for all occupants of a residence (the residents) in the Mountain Valley Subdivision. This includes owner(s), spouses, children, relatives, or unrelated adults living in the residence, all of whom are eligible to participate in neighborhood social events. "Household" may also refer to tenant(s) occupying rental properties within the Mountain Valley Subdivision. A household of any composition has one vote by the Member(s) associated with that property to cast in any MVHA proceedings.

1.7 "Residents" shall mean those people occupying a residence in the Mountain Valley Subdivision. They may be owner(s), tenant(s), children, extended family, or unrelated adults.

1.8 "Associate Member(s)" shall mean tenant(s) or owner(s) of property adjoining the Mountain Valley Subdivision that is legally outside of the subdivision, and who pay MVHA annual dues to participate in neighborhood social events and to have access to neighborhood communications. Associate Members and Tenant(s) cannot vote in MVHA Board elections or other MVHA proceedings.

1.9 "Voting" shall mean voting in person, by proxy, by postal mail or by electronic means.

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1.10 Any list of items inserted to clarify the intent of a paragraph (such as hospitality, beautification, etc.) will automatically have the meaning “such as, but not limited to,” even though that particular phrase is not repeated after every list. In other words, any list containing the words “such as” is meant to only illustrate the general kind of items or activities, not to limit such items or activities to only those listed.

1.11 Any reference to a person or item in the singular shall also apply to persons or items in the plural and vice versa.

1.12 “Annual Dues” shall mean monies paid by Members to MVHA. Annual Dues are required to be paid each year by all Members. They are to be used for the benefit of the Mountain Valley Subdivision for the maintenance and operation of the MVHA.

1.13 “Special Assessments” shall mean monies paid by Members to the MVHA after the proper voting procedures pursuant to the Restrictive Covenants are followed for any major improvements, repairs, capital projects or unanticipated events.

1.14 Any and all reference in the Amended Restrictive Covenants filed in Henderson County on September 28, 2010, to Dan Ducote, Dan Ducote Enterprises or Developer are void. Dan Ducote’s rights and authorities expired on July 1, 2015.

### **Article 2**

#### **Purpose of MVHA**

2.1 To act on behalf of the Members, communicate their viewpoints, and protect their interests with various individuals and organizations such as the NC Department of Transportation, law enforcement agencies, real estate attorneys, media representatives, homeowners’ associations similar to the MVHA, or any other organizations or individuals.

2.2 To protect the property values and ensure compliance by Members in the Mountain Valley Subdivision by enforcing the Restrictive Covenants on file in Henderson County, North Carolina and by enforcing these Bylaws.

2.3 To enhance friendship, cooperation, and communications among the Members through activities such as meetings of Members, MVHA Board, volunteer committees, social events, maintenance of the MVHA website and e-mail media, maps, listings of Members, and similar activities. To officially welcome new Members and provide orientation information about community activities, volunteerism, the “Members Only” section of the MVHA website, the Bylaws, and the Restrictive Covenants.

2.4 To facilitate and encourage participation of Members in volunteer activities such as the MVHA Board, committees, and social events of the Mountain Valley Subdivision.

**Article 3**

**Administration**

3.1 The business and affairs of the MVHA shall be managed by a Board consisting of six Members, which shall be responsible for all of the duties, and all of the powers of a Board 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 collecting annual dues and special assessments, paying bills, setting budgets, entering into contracts with private or public organizations, soliciting bids, and other similar activities approved by the Board and that are beneficial to the Members.

3.3 The Directors shall be Members of the MVHA and are elected at the Annual Meeting to serve for a term of two calendar years or named as Replacement Directors under Article 3.8. The Board and the community will identify and solicit Members “in good standing” who are willing to serve as Directors so that well-qualified candidates can be presented at the Annual Meeting. Potential candidates for Director may also be nominated from the floor at the Annual Meeting. The election of Directors and other ballot issues will be established by a total vote of 51% by Members “in good standing” who are present, vote electronically or submit a proxy indicating votes for specific candidate(s). Counting of votes, including proxies and electronic votes, will be done by three Members present at the meeting who are not current Members of the Board or candidates for office. The counting of votes will be overseen by the Treasurer or an alternate Board member who will announce the vote totals to the Members present. Members who do not attend the Annual Meeting, do not vote electronically, or do not submit a proxy will not have any vote counted.

3.4 Three Directors shall be elected by ballot at each annual meeting to serve for the next two calendar years. The nominees with the most votes will be elected. Any of these candidates for Director may be current Directors who have expressed a desire to serve for the next two calendar years, but they must also be duly elected as Directors at the Annual Meeting per the provisions of Article 3.3

3.5 No Director may serve more than 2 two-year consecutive elected terms. No former Director may again be elected to the Board, including election as a replacement Director, until they have been off the Board for at least one year.

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

3.7 Any Director may be removed by a majority vote of the Directors when such action is considered necessary and in the best interests of the MVHA. Alternatively, any Director may be removed by a Member initiating a written petition signed by 33% of the Households. The Board will convene a special meeting of Members and upon a 2/3rds affirmative vote of removal by ballots of those present, by proxy, or by electronic voting, the Director will be removed.

3.8 If, for any reason, a Director chooses not to serve their entire term, becomes incapable of serving, no longer meets the Member criteria, or is removed per Article 3.7, the remaining

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Directors may elect, by a majority vote, a replacement Director to serve the remainder of the exiting Director's term. If the replacement Director is named prior to the next Annual Meeting in the first year of the two-year term, a special election shall be held at the Annual Meeting with the winning candidate assuming the position immediately to serve the remaining one-year term.

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

3.10 No Director shall receive any compensation for services rendered to the MVHA but is entitled to reimbursement for actual expenses incurred in the performance of their duties and approved by the Treasurer.

3.11 Absence from two consecutive Board meetings will subject a Director to the provisions of Article 3.7, provided, however, that the proposed date of each missed Board meeting had been communicated to the Directors at least one month prior to each meeting, and a bona fide effort had been made to resolve scheduling conflicts between the dates of such proposed Board meetings and the personal schedule of the Director. Meetings may be held virtually at the request of any Director.

### **Article 4**

#### **Officers**

4.1 The officers of the MVHA are elected by the incoming Board and shall consist of a President, a Vice President, a Secretary, and a Treasurer.

4.2 The election of officers for the next calendar year shall be done in the period after the Annual Meeting in October and before January 1. This election shall be done at a special meeting of the newly elected Directors plus the Directors continuing for the next calendar year of their term.

4.3 The President shall preside over meetings of the Members and meetings of the Board, appoint Committee Chairs with Board input, be the chief executive officer of the MVHA, direct its operations, administer and coordinate all efforts of the MVHA pursuant to, and in compliance with, these Bylaws, the Restrictive Covenants, and other legal documents concerning the MVHA.

4.4 The Vice President shall assist the President in the performance of the President's duties and shall perform the duties of the President in the President's absence.

4.5 The Secretary shall keep minutes of all meetings, which will be posted on the "Members Only" section of the MVHA website within 7 days of each meeting. The Secretary shall handle any correspondence or other duties as may be directed by the Board.

4.6 The Treasurer shall keep the financial records of the MVHA including a record of all dues, special assessments, receipts, and disbursements of money. The Treasurer shall pay, or arrange to have paid, all properly incurred, legitimate obligations of the MVHA. The Treasurer shall file all

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required tax returns and reports with the IRS and the North Carolina taxing authorities and serve as the MVHA Registered Agent. The office of the MVHA is officially located in the home of the current Treasurer.

4.7 The remaining two Directors, usually designated as “Board Members at Large,” shall be assigned such responsibilities as the President and Board determine appropriate and necessary to best meet the objectives of the MVHA.

4.8 The Board may request a committee chair to attend quarterly board meetings to provide a committee status report.

4.9 All Board meetings are open to any Member who wishes to attend and are completely transparent. The Board may vote to enter an “Executive Session” to discuss sensitive matters. The Board will notify Members two weeks in advance with the time, location, and the agenda of the meeting by email and by posting on the “Members Only” section of the MVHA website. Members must notify the Board if they intend to attend the meeting.

### **Article 5**

#### **Dues, Special Assessments, and Voting**

5.1 The homes in Mountain Valley are of the size normally considered as one household. Two related families and/or additional persons who occupy the same house are considered as one Household.

5.2 The Treasurer will prepare and present a detailed financial report to the Board at each quarterly meeting of the Board.

5.3 During the Board’s quarterly meeting prior to the Annual Meeting, the Board will review the current financial condition and make budget projections for the next fiscal year. The Board will establish an operating budget and commensurate dues for the next fiscal year. If the cash balance at the end of the next fiscal year is projected to be less than 75% or greater than 125% of the operating budget, the Board will then adjust the annual dues to ensure that the year-end cash balance is equal to next year’s operating budget. The Board will ensure that the balance is adequate to meet those expenses.

5.4 In the unlikely circumstance where the Board recommends new annual dues 1.5 times the current annual dues, a vote of approval by the Members “in good standing” for such unusual dues will be required at the Annual Meeting.

5.5 The following will be placed on the “Members Only” section of the MVHA website and mailed to the Members at least four (4) weeks prior to the Annual Meeting:

5.5.1 A preliminary fiscal year-end financial statement (a final statement provided at meeting)

5.5.2 The next fiscal year’s budget and annual dues

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- 5.5.3 The list of nominees for the Board of Directors
- 5.5.4 The previous year's Annual Meeting minutes
- 5.5.5 An agenda for this year's Annual Meeting
- 5.5.6 A Proxy form for those who cannot attend the Annual Meeting
- 5.5.7 Invoice for the next year's dues (mail only)

5.6 Annual dues for the new fiscal year are due and payable by October 1st. If a Member fails to pay annual dues, special assessment, or fines for Bylaw or Restricted Covenant violations, the Member forfeits all rights to vote at MVHA meetings and to participate in MVHA activities until annual dues, special assessments, and Bylaw or Restricted Covenant violation fines are paid in full.

5.7 If the owner of a rented home does not pay the Association dues, the tenant(s) may pay the annual dues and be a non-voting Associate Member.

5.8 If the Member violates the MVHA Restricted Covenants or any provisions of these Bylaws, including payment of annual dues and/or special assessments, the Board shall issue verbal and written warnings. After two written warnings, specifically stating the violation and setting a date for compliance, a time period will be set for the Member to meet with the Board to explain their situation. A fine of no more than \$20.00 shall then be assessed by the Board each month until the violation is remedied. Failure to pay annual dues, special assessment and Bylaw and Restricted Covenant violation fines as described in Article 5.6 may be subject to a lien on the Members' property according to North Carolina State law and may include associated legal and filing fees.

### **Article 6**

#### **Required Meetings**

6.1 The Board shall have a full formal Board meeting quarterly. At the discretion of the President, additional working sessions may be held to discuss specific situations that may arise.

6.2 An annual meeting of all Members shall be held on the third Saturday of October each year. Required topics at this meeting are the election of new Directors of the MVHA, a status report by the President, and a report by the Treasurer. A majority vote of the Members attending is necessary to approve any motion proposed by the membership at the Annual Meeting. If necessary, the Board may alter the annual meeting date, but Members must be notified 60 days before the proposed date.

6.3 A quorum at the Annual Meeting shall consist of 51% of the Members present, voting by proxy or voting electronically. In the event a quorum does not exist, the President can motion that a quorum be "declared to exist" if the motion passes by at least a 2/3rd vote of the Members present.

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6.4 The annual October meeting provides an opportunity for Members to seek information from the President or other Board Members on past activities and/or present motions concerning future activities. Robert's Rules of Order will be strictly followed at the meeting. Each person speaking must first clearly state their name so they can be identified. Members who are not currently “in good standing” of the MVHA and Associate Members may attend the Annual Meeting strictly as observers.

6.5 At the discretion of the Board, except as specified in Article 8.3 of these Bylaws, a special meeting of all Members may be held in addition to the Annual Meeting. Such a meeting would be primarily to inform the Members of the status of unusual MVHA business or to solicit suggestions for matters to be considered and/or acted upon by the Board in the near future.

### **Article 7**

#### **Financial Transactions**

7.1 The funds of the MVHA shall be expended in general accordance with the annual budget and future forecast.

7.2 All checks or withdrawals of funds under \$500 must be signed by the Treasurer or in their absence, by the President or Vice-President. All checks or withdrawals over \$500 must be signed by both the Treasurer and either the President or Vice-President.

7.3 In an emergency, such as an immediate payment for snow removal services, if the Treasurer is unavailable, any Director, with the concurrence of another Director, is permitted to make payments on behalf of the MVHA and, with receipts or other suitable documentation, receive full reimbursement from the Treasurer.

7.4 The Board is authorized to expend funds of up to \$3 per Household per MVHA sponsored event to pay for items such as rental of meeting rooms, picnic areas, light refreshments at parties, meetings, or other forms of informal gatherings, provided that such events are announced well in advance, open to all Members “in good standing” and Associate Members, and expected to be widely attended.

7.5 Activities of a more limited nature, such as luncheons, dinners, and meetings of small special interest groups are encouraged and may be communicated on the MVHA website and email services. However, the costs of such activities are expected to be self-funded.

### **Article 8**

#### **Modifications of Bylaws**

8.1 A motion to modify the Bylaws by amendment or rewording must first be approved by a majority of the Board, unless such a motion was previously proposed and approved by a majority of Members at the Annual Meeting of the MVHA.

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8.2 The proposed modifications must be furnished in writing, by hand-delivery or US mail and by email and posted to the “Members Only” section of the MVHA website, to all Members “in good standing” with a request that any questions, corrections, or suggested rewordings be communicated to the President, Vice-President, or Secretary within 30 days.

8.3 At least 30 days, and no more than 60 days, after the proposed modifications of the Bylaws have been distributed to the Members, the Board will call a special meeting of the Members to discuss the proposed modifications. No more than 60 days after the special meeting, the Board will meet, decide on the final wording of the proposed Bylaws, and submit them to the Members for a final vote. Within 30 days of the final distribution of the proposed Bylaws, the Members may vote by hardcopy, by proxy or electronically.

8.4 A 51% majority “Approve” vote of the Members “in good standing” is necessary to make each Bylaw provision change effective. A 51% majority “No” vote results in maintaining the existing provision of the current Bylaws.

8.5 In a situation where significant changes or a complete rewrite of the Bylaws is proposed, the Board may appoint an ad hoc Bylaws Committee consisting of at least one or more Directors and at least one or more Members “in good standing” to discuss and prepare a draft of the proposed modifications. Such proposed modifications will then follow the steps described in 8.2, 8.3 and 8.4 above. The committee serves at the pleasure of the Board. The committee will continue until completion of the designated tasks.

### **Article 9**

#### **Unusual Situations**

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

9.2 At its discretion, the Board may appoint an ad hoc committee consisting of at least one Board member and at least one Member “in good standing” to provide research and recommendations on certain pressing issues to the Board. The Board will provide such committees with a written description of the subject matter to be addressed along with specific tasks that the Board is seeking. Such committees serve at the pleasure of the Board. These committees continue until completion of the designated tasks.