

**BYLAWS  
OF  
SUNSET HILLS PROPERTY OWNERS ASSOCIATION, INC.  
(Revised, 2023)  
Buncombe County, North Carolina**

**ARTICLE I – Name and Location**

The name of the corporation is SUNSET HILLS PROPERTY OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office address of the Association shall be designated by the Board of Directors and shall be a member's home within the Association.

**ARTICLE II – Definitions**

**"Association"** shall mean and refer to SUNSET HILLS PROPERTY OWNERS ASSOCIATION, INC. its successors and assigns.

**"Board"** shall mean and refer to the Board of Directors of the Association.

**"Declaration"** shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Subdivision recorded in the office of the Register of Deeds of Buncombe County.

**"Lot"** shall mean and refer to any plot of land, with delineated boundary lines, shown on any recorded Subdivision map, with the exception of any common area owned by the Association and any street rights-of-way shown on such recorded map.

**"Majority"** shall mean and refer to those eligible votes, owners, or other groups as the context may indicate totaling more than fifty percent (50%) of the total eligible number.

**"Member"** shall mean and refer to every person or entity who holds membership in the Association..

**"NCNCA"** shall mean and refer to Chapter 55A of the North Carolina General Statutes known as the North Carolina Nonprofit Corporation Act.

**"NCPCA"** shall mean and refer to Chapter 47F of the North Carolina General Statutes known as the North Carolina Planned Community Act.

**"Owner"** shall mean and refer to one or more persons or entities who hold the record title to any Lot which is part of the Subdivision, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, the purchaser (rather than the fee owner) will be considered the Owner.

**"Subdivision"** shall mean and refer to the real property described in the Declaration together with any property which has been submitted to the terms of the Declaration by any amendments or supplemental declarations recorded with the office of the Register of Deeds of Buncombe County.

**ARTICLE III – Declaration and Purpose**

The Association is established in conformity with the Declarations which have been incorporated in the title to each parcel of land within the Subdivision known as Sunset Hills, located in Buncombe County, North Carolina. The Subdivision includes the following parcels (references are to plat maps recorded with the of the Register of Deeds in Buncombe County):

- Sunset Hills Phase I: Plat Book 54, Page 122
- Sunset Hills Phase II: Plat Book 54, Page 123

- Sunset Hills Phase III: Plat Book 54, Page 124

The Association shall have the responsibility of administering the Subdivision, establishing the means and methods for collecting common expenses and assessments, arranging for management of the Subdivision, enforcing the Declaration and these Bylaws, and performing all of the other duties that may be required to be performed by the NCPCA and NCNCA.

## **ARTICLE IV - Membership & Voting Rights**

### **Section 1: Owners as Members**

An Owner of a Lot shall become a Member of the Association upon taking title to the Lot and shall remain a Member for the entire period of ownership. If title to a Lot is held by more than one person, the membership shall be shared in the same proportion as the title but there shall be only (1) membership and (1) vote per Lot.

### **Section 2: Voting Rights**

Members, or their lawful proxy, shall be entitled to vote on the election of the Board of Directors and all other matters coming before the membership of the Association for vote. If any Lot has more than one Owner, the voting rights in the Association with reference to such Lot shall be exercised jointly if there are two Owners, or by a majority if there are three or more Owners.

Any Member whose account is more than (90) days delinquent is not eligible to vote on any matters to come before the Association membership until such delinquency is satisfied.

## **ARTICLE V - Membership Meetings**

### **Section 1: Location**

General membership meetings and Special membership meetings shall be held at a location within Buncombe County, North Carolina. Such location shall be designated by the Board.

### **Section 2: Annual Membership Meeting**

There shall be a general meeting of all Members of the Association held each year in October for the purpose of electing the Board of Directors and to conduct what other business is appropriate.

### **Section 3: Special Membership Meetings**

Special membership meetings may be called either by:

- The President
- A majority of the Board.
- Any (9) members submitting a petition to the Board.

### **Section 4: Notice of Meeting**

Not less than (10) nor more than (60) days in advance of any meeting, the Secretary or other officer specified in the bylaws shall cause notice to be sent in one of the following ways:

- Hand-delivered to the mailing address of each lot or to any other mailing address designated in writing by the lot owner.
- Sent prepaid by United States mail to the mailing address of each lot or to any other mailing address designated in writing by the lot owner.
- Sent by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the lot owner.

The notice of any meeting shall state the time and place of the meeting and the 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.

#### **Section 5: Quorum**

Except as otherwise provided in the NCPCA, NCNCA, Articles of Incorporation, or the Declaration, wherein a greater standard for constituting a quorum is required for certain actions, a quorum is present throughout any meeting of the Association if 50% of Members eligible to vote are present, in person or by proxy, at the beginning of the meeting.

In the event a quorum is not present, the Secretary shall mail ballots to each Member eligible to vote within one (1) week following the meeting and all ballots must be returned within fifteen (15) days thereafter to be counted. The returned ballots shall be counted by the Board at their next regular meeting and the outcome of the vote shall be posted.

#### **Section 6: Majority**

The acts approved by a majority (51% or more) of those present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration or these By-Laws.

#### **Section 7: Proxies**

A proxy may be designated in writing or by email. Proxies must be designated prior to the start of the meeting with the Secretary or another Board member. All proxies automatically cease upon conveyance by the Owner of his Lot.

#### **Section 8: Vote By Written Ballot**

In accordance with 55A-7-08 of the NCNCA, any action that may be taken at any regular or special meeting of Members may be taken without a meeting if the Association delivers, by mail or otherwise, a written ballot to every Member entitled to vote on the matter.

## **ARTICLE VI – Board of Directors**

#### **Section 1: Composition**

The affairs of the Association shall be governed by a Board of Directors composed of (5) or (7) Directors. Directors must be Members of the Association. Only (1) Member from each Lot may be on the Board at the same time. A husband and wife are prohibited from serving on the Board at the same time. Members that have previously stolen from the Association or falsified documents are not eligible to serve on the Board. The President shall preside over the Board.

#### **Section 2: Nomination**

Nomination for the election to the Board shall be a self-nomination process. Members shall submit their name to the Secretary or Board (in writing, including email) no less than 5 days before the election. No nominations shall be made from the floor of the meeting.

#### **Section 3: Election & Term of Office**

Directors shall be elected annually for a term of (1) year. Terms of office shall commence on January 1st and end on December 31st.

#### **Section 4: Removal of Directors & Vacancies**

Any Director may be removed from office upon the recommendation of a majority of the other Directors, and ratified by a majority vote of the Members in attendance at any regular meeting or special meeting called for that purpose.

Any vacancies occurring during the year shall be filled by an appointment to be determined by a majority vote of the Board. All appointments shall be for the remaining part of the calendar year in which the vacancy occurs and a permanent replacement shall be elected at the next following regular election.

### **Section 5: Compensation**

No member of the Board shall receive any compensation for serving in said capacity.

### **Section 6: Board Meetings & Quorum**

Board meetings shall be held monthly or as called by the President. A quorum of a majority of Directors will be required to conduct business. The President shall not vote on any motions, except in the event of a tie. Members of the Association shall be entitled to attend all meetings of the Board and be heard upon matters under consideration by the Board at such meetings. Notice shall be given to Members at least (7) days prior to a Board meeting. If the Board predetermines the time, date and location of their meetings for the year, then only one notice needs to be given at the beginning of the year.

### **Section 7: Action Taken without a Meeting**

For matters that require immediate attention, the Board may choose to vote by email or phone. The vote is valid if all Board members unanimously vote to approve a motion. The motion shall be recorded in the next Board meeting's minutes.

### **Section 8: Powers and Duties**

The Board of Directors shall be the governing body of the Association. They shall have the power to:

1. Adopt and amend these Bylaws pursuant to the terms of these Bylaws.
2. Adopt and amend budgets for revenues, expenditures and reserves, and collect assessments for common expenses from Members.
3. Hire and terminate agents and independent contractors to carry out the purposes of the Association.
4. Institute, defend or intervene in litigation or administrative proceedings on matters affecting the Association.
5. Make contracts and incur liabilities.
6. Regulate the use, maintenance, repair, replacements and modification of subdivision streets, water wells and common areas.
7. Acquire, hold, encumber and convey any right, title or interest to real property designated as common areas, if any. The Association shall not acquire or hold any other interest in real or personal property except as allowed by these bylaws or by Member vote.
8. Grant easements, licenses and concessions through or over those interests acquired pursuant (7) above.
9. Impose charges for the late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of bylaws and covenants.
10. Provide for the indemnification of and maintain liability insurance for its officers and Board.
11. Exercise all other powers that may be exercised in this state by legal entities of the same type.

### **Section 9: Responsibility**

In the performance of their duties, the members of the Board shall be deemed to stand in a fiduciary relationship to the Association and its Members and shall discharge their duties in good faith and with that diligence and care which ordinarily prudent men would exercise under similar circumstances in like positions.

## ARTICLE VII - Officers

### **Section 1: Designation**

The officers of the Association shall consist of a President, Vice-President, Treasurer and Secretary. All officers of the Association must be a member of the Board. The Board may choose to create additional officer positions such as an Assistant Treasurer or Assistant Secretary as they see fit.

### **Section 2: Election & Term**

The officers of the Association shall be elected annually by majority vote of the Board at the first Board meeting of the new year. Officers shall hold office at the pleasure of the Board. The Association shall publish the names and phone numbers of all officers within (30) days of their election.

### **Section 3: Resignation & Removal of Officers & Vacancies**

Any officer may be removed from office with or without cause by a majority vote of the Board. Any officer may resign at any time giving written notice to the Board or Secretary. A vacancy in any office shall be filled by the Board, and the appointed officer shall serve the remainder of the term.

### **Section 4: President**

The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and of the Board. The President shall:

- Have all the general powers and duties which are incident to the office of the president of a corporation organized under the NCNCA.
- Set the dates, times and places of all meetings in accordance with these Bylaws and prepare an agenda for each meeting.
- The President shall not vote on any motions, except in the event of a tie.
- The President shall be the main contact for the Association's Attorney.
- Make sure that year end documents and statements are sent to Members.

### **Section 5: Vice-President**

The Vice-President shall act in the President's absence and shall have all powers, duties and responsibilities provided for the President when acting so. If neither the President nor the Vice-President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis.

### **Section 6: Secretary**

The Secretary shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with the NCNCA. The Secretary shall:

- Keep the minutes of all meetings of the Members and of the Board.
- Keep record of all legal communications.
- Have charge of such papers as the Board may direct.

### **Section 7: Treasurer**

The Treasurer shall:

- Keep full and accurate records of Member accounts.
- Keep full and accurate records of Association Accounts, including all payments, receipts and invoices.
- Prepare and submit to the Board a budget for the following year.
- Remind the Board to file annual tax paperwork.
- Provide the Board and Members with any and all financial documents they are legally allowed to access.

### **Section 8: Execution of contracts**

All agreements, contracts, deeds, leases, and other instruments to be executed on behalf of the Association shall be executed by (2) Officers, Board members, firms or corporations, including any management agent, as may be designated by the Board.

Checks drafted by the Association must be signed by the Treasurer and (1) other Board member.

### **Section 9: Compensation**

No officer shall receive any compensation for serving in said capacity.

### **Section 10: Responsibility**

In the performance of their duties, Officers shall be deemed to stand in a fiduciary relationship to the Association and its Members and shall discharge their duties in good faith and with that diligence and care which ordinarily prudent men would exercise under similar circumstances in like positions.

## **ARTICLE VIII - Committees**

### **Section 1: Designation & Appointment**

The following permanent committees shall be maintained by the Association and shall serve to advise the Board: Road & Well Committee.

The President, with the approval of the Board, shall appoint all permanent committee members. Any other committees deemed necessary shall be ad-hoc committees appointed by the President and automatically terminate at the end of each calendar year. No Board member may serve on more than two permanent committees.

### **Section 2: Road & Well Committee**

The Road & Well Committee shall consist of (2) Board members and (1) Member of the Association that is not on the Board. The committee shall:

- Inspect and monitor all roads and wells within the Subdivision.
- Advise the Board on a maintenance schedule for roads and wells.
- Obtain bids and estimates for repairs and maintenance of roads and wells.
- Keep track of work done on roads and wells, including warranties on items and services.
- Advise the Board on traffic and parking issues.

## **ARTICLE IX - Dues, Assessments & Reserve funds**

### **Section 1. Dues:**

Monthly dues for the year are to be determined by the annual budget set forth by the Board, and must include the following:

- The cost of providing water for Lots on shared wells. This includes expenses such as: electric to run the wells, well water testing & bleaching, well maintenance, well house maintenance and repairs, and replenishing reserve fund for wells.
- Road maintenance. This includes expenses such as: paving, gravel, filling potholes, clearing culverts and ditches, snow-plowing, landscaping, tree-cutting, and replenishing reserve fund for roads.
- Administration costs such as: lawyer fees and reserve fund, taxes, mailings, PO Box, bank fees, website, and yearly election.

Dues for Road and Admin costs are to be accounted for separately from Well water dues, and must not go toward paying for Well costs. Dues collected for Well costs shall not be used to pay for Road and Admin costs.

Dues are payable on the 1st of the month and become delinquent thirty days thereafter. The Board shall set the late fees in the annual budget.

#### **Section 2. Assessments:**

Special Assessments for extraordinary purposes may be levied by the Board only after calling a special membership meeting for the purpose of discussing the proposed levy and obtaining a written affirmative vote of a majority of all members eligible to vote on the matter. For assessments related to maintaining the shared wells, only those Members who pay for well water may vote.

If any common expense is caused by the negligence or misconduct of any Lot owner or occupant, the Association may assess that expense exclusively against that Lot. (§ 47F-3-115)

#### **Section 3. Reserve Funds:**

The Association shall keep the following minimum balances for reserve funds: The Board may set a higher amount in the annual budget.

- Water & well fund: \$5,000
- Road fund: \$5,000
- Lawyer: \$1,000

#### **Section 4. Collection of Dues & Assessments:**

All unpaid dues and assessments shall bear interest at the rate of twelve (12%) per annum after thirty (30) days from the time they are due. In addition, delinquent Members shall be liable for the costs to The Association, including reasonable attorney fees, of collection of such unpaid dues and assessments and any other fees, charges, late charges, fines and interest charged pursuant to these Bylaws.

Any such dues, assessments, fees, charges, late charges, fines, interest and attorney fees levied against a Member remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on that Member's parcel of land when filed of record in the Office of the Clerk of Superior Court of Buncombe County, North Carolina, in the manner provided by Section 116, Article 3 of the NCPCA. The Association, acting through the Board, may foreclose a claim of lien in like manner as a mortgage or deed of trust on real estate under power of sale, as provided in Article 2A of Chapter 45 of the General Statutes, if the assessment remains unpaid for 90 days or more.

## **ARTICLE X - Amendments to Bylaws**

#### **Section 1: Proposal & Board Approval**

Amendments to these Bylaws may be proposed by the Board or by petition to the Board by any (9) Members and a copy or summary of the proposed amendment shall be circulated in writing to each Board member. If the Board votes to affirm the proposals, the amendment shall be submitted to Members for a vote at either the annual meeting or a special meeting. A proposed amendment may not be submitted more often than once in a calendar year.

#### **Section 2: Member Vote**

These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of eligible Members, present and voting in person or by proxy.

## ARTICLE XII - Compliance

These Bylaws are set forth to comply with the requirements of the General Statutes of North Carolina. In case any of these Bylaws conflict with the provisions of said statutes, it is hereby agreed and accepted that the provisions of said statutes will apply. If these Bylaws conflict with the Declaration, the Declaration shall apply.

### CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting President of SUNSET HILLS PROPERTY OWNERS ASSOCIATION, INC. and that the foregoing Bylaws constitute the Bylaws of said Association, as revised, approved, and duly adopted at a meeting of the Association held on the 18<sup>th</sup> day of November, 2023.

IN WITNESS WHEREOF, I have hereunto subscribed my name on the 18<sup>th</sup> day of November, 2023.

By: Betty Dunajski President / Sunset Hills POA  
Betty Dunajski (signature)

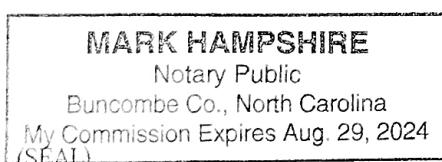
Attest: Josh Lauth Secretary/ Sunset Hills POA  
JL (signature)

STATE OF NORTH CAROLINA, COUNTY OF BUNCOMBE

I, Mark Hampshire, a Notary Public for said County and State, do hereby certify that Betty Dunajski, President of SUNSET HILLS PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official stamp or seal, this 9<sup>th</sup> day of January, 2024.

M Hampshire Notary Public



My Commission expires:

8/29/24