

BYLAWS
SLICK ROCK MOUNTAIN PROPERTY OWNERS, INC.

PREAMBLE

Slick Rock Mountain subdivision is a residential community of approximately 450 acres located off Highway 276 and See Off Road in Transylvania County, North Carolina, and was created and developed by William (Bill) W. Ward, Paul Allen, and John D. MacDonald in the 1950s. The community is restricted by deeds to single family homes. However, with acreage permitting, a guest house and a garage with attached servants' quarters are allowed on each home site. Mobile homes [as defined in N.C.G.S. Section 143-145(7)] are not allowed. Home sites are situated so as to provide privacy and a view whenever possible, and, typically, are in a forest setting of three (3) or more acres. There are approximately 100 sites within the Slick Rock Mountain community. Single lane, private, gravel or paved roads service the community. In addition, the community has a six-acre lake for swimming and fishing with an adjoining picnic area and pavilion with parking. Commercial businesses are prohibited, including farms and farm animals. Deed restrictions, Bylaws, and Community Regulations were established to preserve the intent and integrity of Slick Rock Mountain as a small, low density, residential environment. These Bylaws are subject to the prevailing laws of the state of North Carolina, and are superseded by all deed restrictions of each and any properties within the subdivision.

ARTICLE I

NAME

The name of the corporation is SLICK ROCK MOUNTAIN PROPERTY OWNERS, INC. This corporation is a non-profit organization.

ARTICLE II

PRINCIPAL OFFICE

The principal office of the corporation is located at Slick Rock Mountain, 301 Lake Road, Brevard, North Carolina 28712.

ARTICLE III

PURPOSES

The purposes for which the corporation is organized are:

- (a) To promote and enhance the civic, social, and recreational interests of owners of real estate in Slick Rock Mountain (herein after referred to as SRM), a subdivision situated in Dunns Rock Township, Transylvania County, North Carolina, insofar as those interests relate to said ownership.
- (b) To promote and support adherence to deed restrictions on the properties in the SRM subdivision.

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- (c) To own, purchase or lease, or otherwise acquire real estate or personal property; to improve, operate, convey, assign, mortgage, or lease any real estate or personal property.
- (d) To acquire, maintain, replace, or otherwise deal with improvements of every kind whatsoever upon its land and water.
- (e) To enter into, perform, and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of any one or more of the purposes of the corporation.
- (f) To levy and collect annual dues, to include roads and lake maintenance costs, and assessments.
- (g) To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, deed of trust, pledge, or other lien.
- (h) To exercise all powers granted by law to non-profit corporations and to do all lawful acts for the betterment of its members and promotion of their interests.
- (i) Notwithstanding anything to the contrary, the corporation shall exercise only such powers as are in the furtherance of the exempt purposes of organizations set forth in Section 501(C)(7) of the Internal Revenue Code and its regulations - as the same now exists or as they may be hereafter amended from time to time.

ARTICLE IV

MEMBERSHIP

1. Owners of lots or residential units in Slick Rock Mountain, as the subdivision is presently constituted, shall be eligible to be members in the corporation if all dues and assessment payments are current. Membership in SRMPO is defined as the rights and responsibilities, including the right to vote, that are conveyed to dues paying property owners as a single entity for each parcel.
2. The Bylaws, Community Regulations, and Road Maintenance Agreement documents should be distributed by the current property owner to all real estate sales people listing the property for sale and shall be distributed to all new property owners by the Vice President of the corporation. Membership requires that each owner, their tenants and guests, realtors, and service providers comply with the Bylaws and with the Community Regulations.

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MEETING OF MEMBERS

1. An annual meeting of the members of the Corporation shall be held on the first Saturday in July of each year for the transaction of any business, which may properly come before it. The meeting shall be conducted according to Robert's Rules of Order. A parliamentarian may be appointed by the Board to serve at the meeting.
2. Special meetings of the members of the corporation may be called by the Board of Directors and held at such time as shall be designated by the Board upon due and proper notification of the members. The notice of any special meeting shall be mailed, emailed, or delivered to each voting membership at least (15) days prior to the meeting and shall state the time and place of such meeting and the purpose thereof. The directors shall also call a special meeting of the members upon delivery of a petition signed by at least twenty (20) members having voting rights. No business shall be transacted at a special meeting except as stated in the notice. Special meetings may be held at any suitable place in Transylvania County, North Carolina, as designated by the Board of Directors.
3. At any regular or special meeting of the members, each membership shall be entitled to one (1) vote on each matter submitted to a vote of the members regardless of the number of owners or number of lots owned. Multiple owners shall advise the secretary of the name of the owner who will be the voting member. Any owner in a membership entitled to vote who is present at a meeting may cast the vote of that membership.
4. A quorum at an annual meeting shall consist of at least thirty (30) memberships entitled to vote who are present either in person or by signed proxy. A quorum at a special meeting shall consist of twenty (20) memberships entitled to vote who are present in person or by a signed proxy.
5. Every membership entitled to vote shall have a right to do so either in person or by an agent authorized by a written proxy executed by such member and filed with the secretary of the corporation prior to the start of either the annual or special meeting. The secretary shall accept the first proxy received from any member in a membership entitled to vote. The signer of the first proxy may either withdraw or change any portion thereof by a written request prior to the start of either an annual or special meeting. However, any proxy may be overridden by a present voting member of that membership.
6. Promptly after each regular and special meeting of the membership, the Board of Directors shall send out a newsletter summarizing the action taken at the meeting, noting

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any changes in membership and Board members, and updating the roster of members.

7. An agenda, a proposed budget, and a blank written proxy shall be prepared by the Board and will be emailed, mailed, or delivered to each membership at least thirty (30) days in advance of the annual meeting. The completed proxy must be filed with the secretary as outlined in Article V, Section 5. This agenda shall contain any and all issues known by the Board at the time of the preparation of said agenda to the best of their knowledge. This does not, nor should it, preclude any matters that may arise after the agenda has been sent to the membership.

ARTICLE VI

BOARD OF DIRECTORS

1. The affairs of the corporation shall be governed by a Board of Directors consisting of not less than five (5) Directors but not more than 10% of the eligible membership. All Directors must be property owners in the Slick Rock Mountain subdivision. The Board of Directors shall be comprised, at a minimum, of the President, Vice-President, Recording Secretary, Communications Secretary, Treasurer, and Chair of the Roads Committee. The chairpersons of the other standing committees are not required to serve on the Board of Directors but may agree to be nominated.
2. Meetings of the Board of Directors may be called by the President or by a quorum of the Directors, at any time, the place and method of meeting at their discretion. Proper and timely notice shall be given to all members of the Board of Directors whenever possible.
3. A quorum of the Board shall consist of 50% of the Board of Directors.
4. Directors shall not, without authorization of two-thirds (2/3) of those voting, in person or by proxy, make any unbudgeted expenditure amounting to more than twenty per cent (20%) of the annual dues. Authorization of such expenditure may be obtained by means of a special meeting or a vote by email and/or U.S. mail if need arises, provided, however, that the number of email/U.S. mail votes cast by the members in a mail ballot must not be less than the quorum for a special meeting (20).
5. Directors may be elected for a maximum of two consecutive (2) year terms. Vacancies shall be filled by appointment by the remaining directors to serve until the next annual meeting; at which time, members shall elect a director for the remainder of the term. The Board may stagger the terms of the directors as necessary.
6. For election of directors, the Board shall, by September 1, appoint a nominating committee of

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three (3) members at large, which will prepare a slate of candidates for the Board of Directors and chairpersons for the standing committees to be submitted to the Board by January 1 for inclusion in the January newsletter. In addition, nominations may be submitted in writing by a voting member to the secretary prior to March 1. Such nominations must be seconded, also in writing, by a voting member. All nominees must be members in good standing and must have indicated a willingness to serve. The names of all nominees shall appear on the ballots to be sent to all voting memberships by March 15. Ballots are to be returned to the Secretary of the Board by May 1 in such a manner that votes will not be disclosed.

7. Each director shall be elected by a plurality of those voting (more votes than any other candidate and more 'yes' votes than 'no' votes).

8. The results of the election shall be announced, and the ballots and tallying shall be available for inspection by the members at the annual meeting.

9. The Directors shall have the powers necessary for the administration of the affairs of the corporation. The Board of Directors has the discretion to create and remove the standing committees as required for the benefit of the community.

10. The Board of Directors shall be responsible for the following:

- A. Care and upkeep of the gravel and paved community roads and all properties owned by the corporation including Wilson Lake.
- B. Collection of all dues, fees, assessments and other monies owed to the corporation.
- C. Adoption of Community Regulations for submission to the membership as provided in Article VIII.

11. Responsibilities of the Officers of the Board of Directors:

- A. The President shall
 - a. maintain communication with the standing committee chairpersons and other Board members to monitor the progress of projects,
 - b. write newsletters and other communications to the membership,
 - c. create the agenda and preside over the Annual and Board of Directors meetings, and
 - d. work with individual community members to resolve concerns.
- B. The Vice President shall
 - a. assume responsibilities of the President, if required,

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- b. create and disseminate welcome packets to all new property owners. The welcome packets should include the Bylaws, Community Regulations, and Road Maintenance Agreement documents as well as the Slick Rock Directory, map, and vehicle decals.
- C. The Recording Secretary shall
 - a. record and disseminate the minutes for the Annual, Board of Directors, and special meetings to the Board of Directors, and
 - b. maintain the records of the corporation including meeting minutes, the Board of Directors Policies document, the Board & Committee Positions, and the Bylaws and Community Regulations documents.
- D. The Communications Secretary shall
 - a. monitor the SRMPO email account and forward emails from members and the Board of Directors,
 - b. ensure members receive all communications from the Board of Directors including the newsletters, directory, map, proxy forms, ballots, agenda, and reports for the Annual and special meetings,
 - c. maintain the records of the corporation including the directory and map.
- E. The Treasurer shall
 - a. ensure that all financial records are maintained,
 - b. work with the other directors and committees to create the annual budget,
 - c. provide the financial statement of expenditures for the prior year and the proposed budget for the current year to the membership at the annual meeting,
 - d. provide the end-of-fiscal year financial statement including expenditures for the prior year, the approved budget and invoices for annual dues and any assessments for the current year to the members in July after the annual meeting,
 - e. collect and deposit all dues, fees, assessments, and other monies owed to the corporation,
 - f. have the books available for inspection by members in good standing at any reasonable time, and
 - g. ensure that the financial records are audited at a minimum of every five years.

12. Responsibilities of the Standing Committees:

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- A. The Beautification and Improvement Committee shall identify and address projects that improve the quality of life and appearance of the community.
- B. The Dam Committee will manage the Wilson Lake dam and all records related to the Wilson Lake dam. The committee shall be composed of the Lake Chairman, plus three (3) other members including the immediate past Lake Chairman and the President of the Board of Directors. The term of service for the members of the dam committee shall be five (5) years, with the terms of these members phased in over a five (5) year period.
- C. The Lake Committee shall maintain the community lake area including the picnic and swimming areas, docks, and pavilion.
- D. The Roads Committee shall maintain the gravel and paved community roads.

13. Any Director may be removed from the Board for due cause by the membership of the corporation at an annual or special meeting when approved by two-thirds (2/3) of those voting.

14. Liability of the Board: The members of the Board shall not be liable to the owners for any mistake in judgment, negligence or otherwise, except for their own individual, willful misconduct or bad faith. The corporation shall indemnify and hold harmless each of the members of the Board on behalf of the corporation unless a contract shall have been made in bad faith or contrary to the provisions of these Bylaws. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the corporation.

ARTICLE VII

DUES AND ASSESSMENTS

- 1. The proposed annual budget and proposed dues or assessments shall be presented at each annual meeting for discussion and membership approval. A simple majority of those voting, either in person or by proxy, is required for approval.
- 2. Bills (invoices) for the annual dues and assessments together with a financial statement of expenditures for the prior year and the approved budget for the current year shall be delivered to owners in July after the annual meeting and are payable upon receipt. Unpaid dues and assessments become delinquent on August 1st of each year.
- 3. Owners of two (2) or more lots shall pay dues and assessments based on a single lot at the highest rate applicable to any lot owned, except that owners of two (2) or more lots which have homes or other structural improvements on them shall pay dues and assessments for

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each such improved lot. A lot is considered to be improved once a Certificate of Occupancy is obtained.

4. Owners with delinquent dues and/or assessments for a period of ninety (90) days from the due date (August 1 of each year) shall be suspended from active membership and placed on an inactive list. Such memberships shall have no rights of any kind arising from membership in the Corporation, including access to or use of the lake or picnic area, and also no right to participate in any meeting or official function of the Corporation or to vote on any issue to be decided by the membership of the Corporation. Additionally, except for billing invoices and duns, suspended owners shall receive no newsletters or other communication from the Corporation and will not be permitted access to files and records of the Corporation unless directed by a court of competent jurisdiction.
5. A \$10 monthly late fee will be charged for any delinquent dues or assessments. The \$10 late fee will continue to be charged monthly until the member's account is paid in full including late fees."
6. Dues in arrears for one (1) year are subject to action in any appropriate venue of the Transylvania Courts. Such action will specify collection of all delinquent amounts, fees, recording charges, and any other legal fees and expenses necessary to discharge the indebtedness to the Corporation. Each time an updated action is required, all charges, in addition to any outstanding unpaid amounts arising from previous court actions, will accumulate and must be discharged by the property owner prior to reinstatement as a member in good standing or at the time of sale or transfer of the property.
7. Any delinquent property owner shall be reinstated as a member in good standing only at such time the Treasurer certifies that he or she has paid the full amount of all dues, assessments, and any other associated fees outstanding at any point in time.
8. In cases of sale or other conveyance of property by a member, the Treasurer shall certify by written statement to the attorneys handling the closing of the conveyance the current status of dues and assessments paid or outstanding on such property. Pursuant to North Carolina law, any current or delinquent dues on such property shall be paid in full at the time of sale or conveyance.
9. For all cases of delinquency, the Board is charged with the responsibility of attempting to

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determine whether financial hardship is a cause of the delinquency. In bona fide hardship cases, a reasonable payment plan may be approved by the Board, provided that the plan eliminates the delinquent owner's delinquent dues/assessments within twelve (12) months of its approval by the Board. The Board is also granted the right to exercise its collective judgment in determining when court action should be initiated for delinquency.

10. Special assessments may be levied at a regular annual meeting or any duly convened special meeting of the Corporation (as specified in Article V, Section 2). A simple majority of those voting, either in person or by proxy, at such meetings is required for approval of a special assessment. All sections in this Article (VII) applying to delinquency for regular assessments (Nos. 4-9) shall apply to special assessments. Special assessments shall be due and payable thirty (30) days from the date the assessment is approved.

ARTICLE VIII

COMMUNITY REGULATIONS

The directors shall adopt such regulations as may be necessary or appropriate for the accomplishment of the purposes of the corporation, including regulations for the use of the roads and common areas and for the general well-being of the community. Such regulations shall become effective when approved at an annual or special meeting by a two-thirds (2/3) vote of those members voting, either in person or by proxy, and when so approved, shall become a part of these Bylaws.

ARTICLE IX

AMENDMENTS

These Bylaws may be amended or repealed or new Bylaws may be made and adopted at any annual or special meeting of the corporation by a two-thirds (2/3) vote of those voting, either in person or by proxy, provided that notice of the intention to amend shall have been contained in the notice of the meeting.

ARTICLE X

SEVERABILITY

Invalidation of any one of these Bylaws or community regulations by judgment or court order shall in no way effect any of the other provisions, which shall remain in full force and effect.