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10-17-2016 12:20:47 PM

CINDY M OWNBEY
REGISTER OF DEEDS
BY: D REE M. POWELL
DEPUTY REGISTER OF DEEDS

BK: DOC 781

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CERTIFICATION OF BYLAWS

Prepared by: Donald E. Jordan

By her signature below, Pamela Kay Gross certifies that she is the duly elected and serving Secretary of Slick Rock Mountain Property Owners, Inc. The Corporation was formed for the purpose of maintaining the roads, lake and other common areas in the Slick Rock Mountain development. Attached is the current version of the Bylaws of the Corporation.

Slick Rock Mountain Property Owners, Inc.

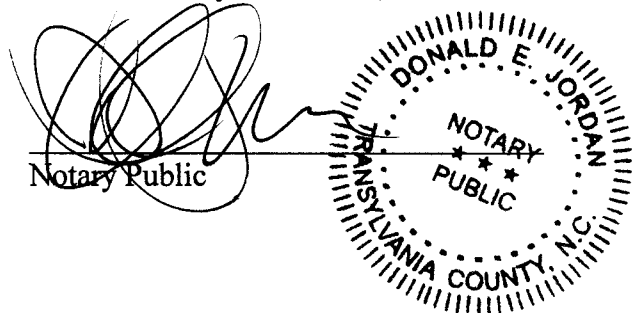
By: *Pamela Kay Gross*
Pamela Kay Gross, Secretary

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Donald E. Jordan, a Notary Public of the specified County and State, certify that Pamela Kay Gross personally appeared before me this day and acknowledged the voluntary execution of this Certification on behalf of Slick Rock Mountain Property Owners, Inc.

Witness my signature and official stamp or seal, this 17th day of October, 2016.

My commission expires: August 30, 2019



BY-LAWS OF JULY 2015
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 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 108 sites within Slick Rock Mountain. A single lane, private, gravel road services the community. In addition, the community has a six-acre lake for swimming and fishing with an adjoining picnic area with parking facilities. Commercial businesses are prohibited, as well as farms and farm animals. Deed restrictions, By-Laws, and Community Regulations were established to preserve the intent and integrity of Slick Rock Mountain as a small, low density, residential environment.

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, Route 1, Box 79K, 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.
- (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 things and 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 members in the corporation.
2. The by-laws document should be distributed to all new property buyers and to all real estate sales people listing property to sell. Membership requires that each owner, their tenants and guests, realtors, and service providers comply with the by-laws and with the community rules and regulations.

ARTICLE V 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 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. The notice of any special meeting shall be mailed, emailed or

delivered to each voting member at least fifteen (15) days prior to the meeting and shall state the time and place of such meeting and the purpose thereof. 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 the name of the owner to be the voting member. In the absence of such designation, 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 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 mailed or hand-carried to each membership at least thirty(30) days in advance of the annual meeting. This 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 consisting of five (5) directors. All directors must be property owners in the Slick Rock Mountain subdivision.
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 his or their discretion. Proper and timely notice shall be given to all members of the board whenever possible.
3. A quorum of the board shall consist of three (3) members.
4. Directors shall not, without authorization of two-thirds (2/3) of the voting membership in person or by proxy, make any unbudgeted expenditure amounting to more than ten per cent (10%) 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 shall be elected for two (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.

6. For election of directors, the board shall, by September 1, appoint a nominating committee of three (3) members at large, which will prepare a slate 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 to anyone.

7. Each director shall be elected by a plurality of those voting.

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. Prior to the annual meeting, the directors shall elect from within their ranks a president, vice-president, secretary, and treasurer to serve for the following year. These officers shall have the powers necessary for the administration of the affairs of the corporation. At the option of the directors, the offices of secretary and treasurer may be held by the same person.

10. The board of directors shall be responsible for the following:

(a) Care and upkeep of the gravel roads and all properties owned by the corporation.

(b) Collection of all dues, fees, assessments and other monies owed to the corporation.

(c) Adoption of rules and regulations for submission to the membership as provided in Article VIII.

(d) Contracting for and overseeing the activities and duties of the caretaker.

11. At the annual meeting, the treasurer shall report an end-of-fiscal year financial statement including expenditures. The treasurer shall have the books available for inspection by members in good standing at any reasonable time. The books may be audited at the discretion of the board of directors.

12. Any director may be removed from the board for due cause by the membership of the association at an annual or special meeting when approved by two-thirds (2/3) of those voting.

13. The Board of Directors shall establish and maintain a standing dam committee, which will be responsible for managing the dam and all records related to the dam. The committee shall be composed of the officer who is serving on the board as Lake Chairman, at any point in time, plus three (3) other members. The term of service for other members shall be five (5) years, with terms of these members (except the currently serving board member) to be phased in over a five (5) year period.

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 By-Laws. 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 majority of the owners present or represented by proxy at the meeting 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 1 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 each such improved lot.
4. Owners with delinquent fees 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 Association, 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 Association or to vote on any issue to be decided by the membership of the Association. Additionally, except for billing invoices and duns, suspended owners shall receive no newsletters or other communication from the Association and will not be permitted access to files and records of the Association unless directed by a court of competent jurisdiction.
5. Delinquent dues, assessments, or maintenance fees shall be assessed late charges at the rate of one and one-half per cent (1.5%) per month or eighteen per cent (18%) per annum, with charges being applied on a monthly basis for each month of lateness. Dues not paid by August 1 or the due date specified for any special assessment will accrue late charges beginning on the due date with

charges continuing thereafter until all delinquent amounts due are paid.

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 and late charges, fees, recording charges, and any other legal fees and expenses necessary to discharge the indebtedness to the Association. 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, accumulated late charges, 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 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 Association (as specified in Article V, Section 2). A

majority of the owners present or represented 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

RULES AND REGULATIONS

The directors shall adopt such rules and 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 rules and 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 by-laws.

ARTICLE IX

AMENDMENTS

These by-laws may be amended or repealed or new by-laws 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 by-laws 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.