

Bylaws
Of
Oak Forest Property Owners Association, Inc.

Article 1

General

Section 1. Name. The Name of the corporation is Oak Forest Property Owners Association, Inc. (hereinafter referred to as the "Association").

Section 2. Membership. An Owner of a lot shall become a Member of the Association upon taking title to a Lot within Oak Forest Subdivision and shall remain a Member for the entire period of ownership. All persons living in legal residences in Oak Forest Subdivision shall share in the membership with the owner of their Lot; however there is only one membership and one vote per lot. Membership shall be appurtenant to each Lot and shall be transferred automatically by conveyance of that Lot and may be transferred only in connection with the transfer of title. Members who pay yearly Association dues and are no more than sixty (60) days delinquent in payment of the current year's dues are considered Members in Good Standing and may enjoy some benefits not enjoyed by those who do not pay dues. Renters of residences in Oak Forest Subdivision may participate in all activities of the Association with the exceptions of voting at annual or special meetings and holding office.

Section 3. Voting. Each lot shall be entitled to one vote which may be cast in accordance with the terms herein. A vote may be cast by the Owner if he is a Member in Good standing as provided below. When more than one person owns a lot, the vote for such Lot shall be exercised as they between or among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. The Board of Directors may prohibit any owner from voting or from being elected to the Board of Directors if such owner is shown not to be a Member in Good Standing. If one person or entity owns more than one lot, that owner has only one vote.

Section 4. Majority. As used in these Bylaws, for any vote of the membership, the term "majority" shall mean those votes totaling more than fifty percent (50%) of the total number of eligible votes. Unless otherwise specifically stated, the words "majority vote" shall mean more than fifty percent (50%) of the eligible votes of the Association represented at a meeting in person.

Section 5. Purpose. The Association is established and shall function to encourage, promote and protect the general common interests of the property owners and residents of Oak Forest Subdivision. It shall establish the means and methods of collecting Association dues to go toward the support and protection of the property shown as "Reserved" on plat recorded in Plat Book 28, Page 36, in the Buncombe County Registry (said property hereinafter referred to as the Parklands), as well as any activities that the membership shall vote to oversee and support. The Association shall neither enact nor enforce any Restrictive Covenants of or impacting Oak Forest Subdivision.

Article 2

Meetings of Members

Section 1. Annual Meetings. The regular annual meeting of the membership shall be held on the third Tuesday in September, at a time and place designated by the Board of Directors.

Section 2. Substitute Annual Meetings. If an Annual Meeting is not held on the day designated by these Bylaws, then a substitute Annual meeting shall be called in accordance with Sections 4 and 5 of this Article. A meeting so called shall be designated and treated for all purposes as an Annual Meeting.

Section 3. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, and shall be called upon the request of a majority of Board of Directors, or upon the written request of ten (10) Association members in good standing.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail or cause to be delivered to the Lot Owners a notice of each annual or special meeting of the Association at least ten (10) days and not more than fifty (50) days prior to each annual or special meeting. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Bylaws, any budget changes, and any proposal to remove a director or officer. In the case of a Special Meeting, the notice of the meeting shall state specifically the purpose or purposes for which the meeting was called. No other business shall be transacted other than that which is mentioned in the call. Notices shall be delivered personally or mailed to each Owner of record at his Lot; if any Owner wishes notice to be given at an address other than his Lot, the Owner shall designate by notice in writing to the Secretary such other address. If any owner wishes notice to be delivered by electronic mail, the Owner shall notify the Secretary in writing the email address at which he would like to be notified. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered service of notice. Additional notice of the meetings may be given by the posting of signs in the neighborhood.

Section 5. Waiver of Notice. Waiver of notice of a meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner shall be deemed waiver by such Owner of notice of the time, date, and place thereof, unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat, unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 6. Quorum. At meetings of the Membership, the presence of fifteen (15) of the eligible votes of the Association shall constitute a quorum.

Section 7. Vote by Written Ballot. In accordance with Section 55A-7-08 of the North Carolina Nonprofit Corporation Act, any action that may be taken at any annual, 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.

Section 8. Conduct and Business. Robert's Rules of Order (latest edition) shall govern the conduct of the meeting. Should the person presiding over the meeting desire to waive the use of Robert's Rules of Order at any meeting, he may do so.

Article 3

Board of Directors

Section 1. Composition. The affairs of the Association shall be governed by a Board of Directors. The Board shall be composed of a minimum of five (5) and a maximum of eleven (11) members in good standing, who are resident Property Owners.

Section 2. Election and Term of Office. Directors shall be elected by vote of those persons present at the annual meeting, a quorum being present. Those persons receiving the most votes shall be elected to the number of positions to be filled. The term of office for directors shall be for three (3) years, commencing from the date of elections and continuing until the election of successors. Election of the directors shall be staggered such that two (2) directors shall be elected for a three (3) year term of office, and the following year two (2) directors shall be elected for a three (3) year term of office, all successors being elected at the annual meeting. The initial election will conform to the staggering such the two (2) directors will be elected for three (3) years; two (2) directors for one (1) year and one director for two (2) years.

Section 3. Removal of Members of the Board of Directors. At any regular or special meeting of the Association duly called at which a quorum is present, any one or more of the members of the Board of Directors may be removed, with or without cause, by a majority vote of all persons present and entitled to vote at such meeting and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Members shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any member of the Board of Directors who has been absent without an excuse from three (3) consecutive Board meetings may be removed from the Board by the vote of a majority of the Board members present at a Board meeting, a quorum being had.

Section 4. Vacancies. The Board of Directors shall advertise and fill any vacancies on the Board by majority vote of the remaining directors. The person selected shall serve until the next annual meeting when a replacement shall be elected by the membership for either a full term or for the balance of an unexpired term.

Section 5. Compensation. No Member of the Board of Directors shall receive any compensation from the Association for acting as such. Each director, upon approval of the Board, shall be reimbursed for reasonable out-of-pocket expenses incurred and paid by him on behalf of the Association.

Section 6. Meetings. The first meeting of a newly elected Board of Directors shall be held within fourteen (14) days of election at such time and place as determined by the directors. The Board of Directors shall hold a minimum of four (4) meetings per year. Meetings of the Board may be held via conference call as long as all directors attending can hear each other.

Section 7. Action Without a Meeting Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent(s) shall be filed with the minutes of the Board of Directors. Any action taken without a meeting must be unanimously agreed upon by the Board and written consent to the action by all Directors must be filed with the minutes of the Board of Directors.

Section 8. Committees. The Board may establish such committees as it deems desirable. The Board must approve the members of each committee established. No finding or recommendation of any committee shall be considered final until accepted by the Board.

Section 9. Powers and Duties. The Board of Directors shall have general management and control of the affairs and property of the Association and may exercise all powers with regard thereto including the right to define and determine policies in accordance with but not contrary to these By-Laws, and in conformity with state and federal law. All important actions shall be reported at the next regular membership meeting. The membership shall be notified in advance before any decision is made that will result in legal action or an increase in dues. Powers and duties shall include but not be limited to the following:

- (a) Propose annual budgets for revenues, expenditures and reserves.
- (b) Determine annual dues needed to meet yearly budget
- (c) Hire and terminate employees and independent contractors for maintenance and care of Parklands
- (d) Institute, defend or intervene in its own name in litigation or administrative proceedings on matter affecting Oak Forest Subdivision
- (e) Regulate the use, maintenance, repair and modification of Parklands
- (f) Provide for the indemnification of and maintain liability insurance for its officers, directors, employees and agents
- (g) Prepare, execute, certify and record amendments to the Bylaws on behalf of the Association
- (h) Exercise any other powers conferred by the Bylaws
- (i) Exercise all other powers that may be exercised in this State by nonprofit corporations
- (j) Exercise any other powers necessary and proper for the governance and operation of the Association

Article 4

Officers

Section 1. Designation. The officers of the Association shall consist of a President, a Vice-President, a Secretary and a Treasurer.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board following each annual meeting of the members and shall hold office at the pleasure of the Board of Directors and until a successor is elected.

Section 3. Removal of Officers. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected.

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 of Directors. 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 North Carolina Nonprofit Corporation Act.

Section 5. Vice President. The Vice-President unless otherwise determined by the Board, shall act in the President's absence and shall have all the powers, duties, and responsibilities provided for the President when so acting.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with North Carolina law.

Section 7. Treasurer. The Treasurer shall have the responsibility for the Association's funds and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be bonded for \$15,000.00; such fee being paid for by the Association. Written approval of the President or Vice President shall be obtained before signing any checks over \$500.00.

Article 5

Indemnification of Officers and Directors

The Association shall indemnify every officer and director against any and all expenses, including legal fees, reasonably incurred by or imposed upon such officer or director in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been an officer or director, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance or malfeasance. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and, if obtainable, officers' and directors' liability insurance to fund this obligation, and the insurance shall be written and provided in the Declaration.

Article 6

Miscellaneous

Section 1. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

- (a) If to a Lot Owner, at the address OR electronic mail address which the Lot Owner has designated in writing and filed with the Secretary, or, if no such address has been designated, at the address of the Lot of such owners; or
- (b) If to the Association or the Board of Director, to P.O. Box 38, Skyland, NC 28776

Section 2. **Severability.** The invalidity of any part of the Declaration of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of the Declaration of these Bylaws.

Section 3. **Gender and Grammar.** The use of the masculine gender in the Declaration or these Bylaws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. **Fiscal Year.** The fiscal year shall be the calendar year unless changed by resolution of the Board of Directors.

Section 5. **Audit.** A review of the accounts of the Association shall be made annually in the manner directed by the Board and the results shall be communicated to each of the members. However, after having received the Board's review at the annual meeting, the Owners may, by a majority of the total Association vote, require that the accounts of the Association be audited as a common expense by an independent accountant or CPA.

Section 6. **Amendment.** These Bylaws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members holding a majority of the total votes entitled to be cast on the amendment. Notice of any meeting at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment.

Section 7. **Net Earnings Provision:** No part of the net earnings of the corporation shall insure to the benefit of or be distributable to its members, directors, officers, or other private persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of purposes in the articles of incorporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Section 8. **Dissolution Provision.** Upon dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation in such manner or to such organization or organizations organized and operated exclusively for religious, charitable, educational, scientific or literary purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code as the Board of Directors shall determine, or to federal, state, or local governments to be used exclusively for public purposes. Any such assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of the corporation is located, exclusively for such purposes or to such organizations, such as the court shall determine, which are organized and operated exclusively for such purposes, or to such governments for such purposes.

80
821 - 1
1

STATE OF NORTH CAROLINA

COUNTY OF BUNCOMBE

This INSTRUMENT, dated this the 16th day of October, 1959, by OAK FOREST, INC., a corporation organized and existing under and by virtue of the Laws of the State of North Carolina;

W I T N E S S E T H :

WHEREAS, heretofore, the said OAK FOREST, INC., has purchased and developed certain properties in Limestone Township, Buncombe County, North Carolina, has subdivided said properties and caused to be recorded in the Office of the Register of Deeds for Buncombe County, North Carolina in Plat Book 28, at Page 36, and Plat Book 30, at Page 31, plats of said properties and has caused to be recorded restrictive covenants affecting said properties; and

WHEREAS, the said OAK FOREST, INC., has recently purchased additional properties near or adjacent to the development known as Oak Forest as shown on said plats and has subdivided or partially subdivided said recently acquired properties and has caused plats thereof to be recorded in the Office of the Register of Deeds for Buncombe County, North Carolina, in Plat Book 30, at Pages 78 and 79, said tracts as subdivided to be known as Section Three and Section Four of Oak Forest, which Sections are to be an exclusive residential development; and

WHEREAS, the said OAK FOREST, INC., has opened and graded streets, established building lines, reserved easements, and divided or partially divided said properties comprising Sections Three and Four into lots of suitable area and dimensions for residential purposes, all as shown on said plats recorded in Plat Book 30, Pages 78 and 79; and

WHEREAS, the said OAK FOREST, INC., now desires, for the benefit of itself and all future owners of lots as shown on said plats and subsequently recorded plats of said property as developed in the future, to impose uniform restrictive covenants upon all of the lots as shown on said plats to the end that the properties shown hereon for the period of time hereinafter set forth, be used solely for residential purposes.

M. LABS
EM. N.C.

NOW, THEREFORE, OAK FOREST, INC., does hereby covenant that said lots shall from henceforth be subject to the following restrictions:

1. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until January 1, 1985, at which time said covenants shall be automatically extended for successive periods of ten (10) years, unless by vote of those persons then owning a majority of said lots it is agreed to change said covenants in whole or in part.

2. If the parties hereto, or any of them, or their heirs, or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning any real property situated in said subdivision as shown on said plat to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent him or them from so doing, or to recover damages or other dues for such violation.

3. Invalidation of any one of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

4. All lots in said subdivision as shown on said plats, except the lots designated "reserved" on the recorded plat, shall be known and described as residential lots and no part of said lots shall be used for any type of business or stores. No structure shall be erected, altered, placed or permitted to remain on any lot other than one detached single family dwelling not to exceed two stories in height and a private garage for not more than two cars.

5. No residential structure shall be erected or placed on any building lot which has a width of less than one hundred (100) feet on the front facing on the street right of way and an area of less than fifteen thousand (15,000) square feet; except that said minimum front line footage does not apply to the lots designated on the recorded plat as Lot Number 6, of Block Q, and Lot Number 6, of Block O.

6. No trade or business and no noxious or offensive activities shall be carried on upon any lot or tract, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No livestock or poultry may be kept on this property.

7. No trailer, basement, tent, shack, garage, or other outbuilding erected in these tracts shall be at any time used as a residence temporarily or permanently, nor shall any structure of a temporary character be used as a residence, nor shall any residence be moved onto a building plot in the subdivision.

8. The ground floor area of the main structure, exclusive of porches and garages, shall contain not less than twelve hundred (1,200) square feet.

9. No building shall be located nearer the front line or the side street line than the building set back lines as shown on the recorded plats. No building shall be located nearer than twelve (12) feet to any inside lot line.

10. Easements affecting all lots in this tract are reserved as shown on the recorded plat for installation and maintenance of utilities and drainage facilities. Neither Oak Forest, Inc., nor any utility company using the easements herein referred to, shall be liable for any damage done by them or their assigns, agents, employees or servants, to shrubbery, trees or flowers, or to the property of the owner situated on the land covered by said easements.

11. No sign of any kind shall be displayed to the public view on any lot, except one sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

12. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

13. Grass and weeds are to be kept down on all vacant lots to prevent an unsightly and unsanitary condition. This is an obligation of the owner and is to be done at his expense.

14. No fence, wall, hedge, or shrub planting which obstructs sight lines of elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property, from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten (10) feet from the intersection of the street property line with the edge of a driveway or alley. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

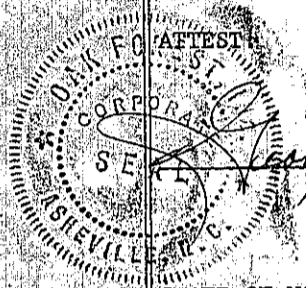
15. No building shall be erected, placed or altered on any lot until the plans and specifications therefor have been approved in writing by a Committee appointed for that purpose by Oak Forest, Inc., its successors or assigns. All such plans must show the location of all buildings to be placed or erected or altered on said lot. Such Committee may require, as one of the conditions for granting its approval, that all residences shall be constructed of at least twenty-five (25%) per cent brick, brick veneer or stone veneer, and that no fence or wall shall be erected, placed or altered on any lot nearer to any street than the minimum building or setback line but the reference to this power of the Committee to make such a requirement shall not be interpreted as limiting the power and authority of the Committee to make other requirements concerning such plans and specifications.

16. Driveways serving lots shall have asphalt, concrete, or other hard surface pavement from the curb to the building line to prevent excess washing of stone or dirt onto the streets or drives on which said lots abut.

IN WITNESS WHEREOF the said OAK FOREST, INC., has caused these presents to be executed in its corporate name and its corporate seal to be hereunto affixed by its officers duly authorized. This the day and year first above written.

OAK FOREST, INC.

BY: [Signature]
President



[Signature]
Secretary

STATE OF NORTH CAROLINA)
:)
COUNTY OF BUNCOMBE)

I, a Notary Public of said State and County, hereby certify that GEORGE W. BEVERLY personally came before me this day and acknowledged that he is Secretary of OAK FOREST, INC., a corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this the 11th day of October, 1959.



[Signature]
Notary Public

My commission expires:
March 16, 1960

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

THE FOREGOING CERTIFICATES OF R. A. Wright

NOTARIES PUBLIC OF THE STATE AND COUNTY DESIGNATED, EACH DULY AUTHENTICATED BY NOTARIAL OR PRIVATE SEALS HERETO ATTACHED, ARE ADJUDGED TO BE CORRECT. LET THE INSTRUMENT WITH THE CERTIFICATES BE REGISTERED.

THIS THE 21 DAY OF October, 1959.

[Signature]
DEPUTY CLERK SUPERIOR COURT

REGISTERED THIS THE 21st DAY OF Oct., 1959, AT 352, P.O. M

[Signature]
REGISTER OF DEEDS
[Signature], Deputy