

**BY-LAWS OF THE WOLF LAUREL
PROPERTY OWNERS ASSOCIATION, INC.**

Article I, Name and Location

These are the By-laws of the Wolf Laurel Property Owners Association, Inc. (hereafter referred to as "Association" or "WLPOA"). The organization shall embrace the geographical area known as the Wolf Laurel Resort and Upper Laurel community located in the counties of Madison and Yancey, North Carolina. Hereafter such reference will be the "Wolf Laurel Community." The address of the Association shall be 784 Wolf Laurel Road, Mars Hill, North Carolina 28754.

Article II, Purposes

The Association is formed to serve as the means through which members may express their opinions and wishes and take action with regards to the administration, management, and operation of the Association.

The purposes of the Association include, but are not limited to, the following:

1. To develop, improve, and maintain the overall environment of the Wolf Laurel Community in order to provide safe, healthful and harmonious living and to assure the protection of its natural features for the aesthetic enjoyment of its residents.
2. To promote the collective and individual property and civic interests as well as the rights of all the property owners.
3. To take necessary and appropriate measures to promote the general welfare and interests of the property owning residents of the Wolf Laurel Community.
4. To promote and/or arrange social, recreational, and educational activities of members.
5. To own and maintain Wolf Laurel Community amenities and facilities.

Article III, Members and Benefits

Section A: Membership and Benefits

1. A Membership in the Association is in the name of the owner of a house or lot in the Wolf Laurel Community; such ownership may be an individual, joint ownership by husband and wife, joint ownership by other individuals, ownership by a corporation or an estate or a trust. Privileges of Membership shall include the children of the individual or husband and wife owners; the family and children of the one (1) designee as member of a corporation, an estate or trust and the guests and renters of the owner.
2. Non-Equity Membership: There are three (3) types of Non-Equity Memberships.
 - a. Annual Non-Equity Membership: Such members have paid the annual dues as set by the Board of Directors and shall receive the following benefits:
 - 1) Receipt of the "Top of the Bald" publication.
 - 2) Receipt of one directory of WLPOA members as published annually.
 - 3) Availability of WLPOA office at security gate as a point for delivery of parcels.
 - 4) Use of the Wolf Laurel Resort Community Center to socialize and to have meetings or events for which a user charge may be made.
 - 5) Use of WLPOA library.
 - 6) Receipt of e-mail alert notices.
 - 7) The Benefit of representation of the member's interests on community matters.
 - b. Participant/ User Non-Equity Membership: This category of membership is for those members who desire to participate in and use the amenities on a fee only basis. In addition these members agree to pay annual dues, use charges, assessments, and annual amenity fees for a period of not less than six (6) years or until the member ceases to be a property owner of any residential unit located within a twenty (20) mile distance of the amenities facilities as may be set from time to time by the Board. These members

shall also pay a one-time initiation fee which is neither refundable nor redeemable. Such members are not required to agree to enter into a deed covenant, restriction, or condition. Participant/User Non-Equity Members shall receive the same benefits as Equity Members detailed below.

- c. Participant/User Lifetime Membership: Participant/User Lifetime Members are Participant/User Members that have paid a one-time membership fee of \$5,000.00. Participant/User Lifetime Members will receive the benefits of a Participant/User Membership and shall be excused from an annual amenity fee for the lifetime of such member or surviving spouse. Such members shall be subject to assessments, annual dues, and use charges as may be set from time to time by the Board.
3. Equity Membership: This category of membership is for those members who have signed an Equity Membership Redemption Agreement. This agreement serves to impose on a property owner's property a permanent covenant, restriction, and condition that will run with the land, and provide that all owners of that property in the future must become an Equity Member of the Association. In addition these members agree to pay annual dues, use charges, assessments, and annual amenity fee as may be set from time to time by the Board. Equity Memberships are those members that have paid a one time membership fee of \$1,900.00, which shall not be increased more than 3% on an annual basis for future Equity Memberships. Equity Memberships shall receive such benefits as may be provided from time to time by the Board including, but not limited to:
 - a. All benefits of Non-Equity Membership.
 - b. Access to keys to gate leading to Big Bald Mountain.
 - c. Use of the Pavilion for social or other functions approved by the Board of Directors for which a use charge may be made.
 - d. Use of Angelica Ridge picnic area.
 - e. Use of the tennis courts, basketball courts, and the adjoining area.
 - f. Use of the swimming pool.
 - g. Use of the Nature Trail and access route to the Appalachian Trail.
 - h. Use of Trout Pond, fishing pier, and observation gazebo as well as amphitheatre area.
 - i. Attendance at Monday and Friday Nighters.
 - j. Attendance at amenity sponsored events to include but not limited to sponsored dances, barbeques, concerts, etc.
 - k. Participation in all other events sponsored for the benefit of amenity members.
 4. Lifetime Equity Membership: Lifetime Equity Members are Equity Members that have paid a one-time membership fee of \$5,000.00. Lifetime Equity Members will receive the benefits of an Equity Membership and shall be excused from an annual amenity fee for the lifetime of such member or surviving spouse. Such members shall be subject to assessments, annual dues, and use charges as may be set from time to time by the Board.
 5. Equity Naming Memberships: Equity Naming Memberships are Equity Members that have paid a fee for the naming right to buildings or areas within the property owned by the WLPOA. Equity Naming Membership shall have all the rights of Equity Lifetime Membership and shall be excused from an annual amenity fee for the lifetime of such member and surviving spouse. Such members shall be subject to assessments, annual dues and use charges as may be set from time to time by the Board.
 6. Notwithstanding the above, Lifetime Memberships, both Equity and Participant/User which are held in the name of a trust, corporation, or estate will be excused from paying the annual amenity fee for a period not to exceed twelve (12) years. Such members shall be subject to assessments, annual dues, and use charges as may be set from time to time by the Board.

Section B: Tenants and Guests

Tenants and guests of Equity Members and Participant/User Non-Equity Membership will be allowed the privileges of Equity Members as set by the Association and Board of Directors.

Section C: Transfer upon Death or Divorce

1. Upon the death of an Equity Member who holds a membership alone or jointly with a spouse, the membership automatically passes to the deceased member's spouse, if any.
2. If a spouse does not survive the deceased member, then the membership may be passed by bequest, intestate succession, and transfers from a deceased member's trust. If the legatee does not apply for the membership within one (1) year after the deceased member's death, the membership shall be deemed forfeited and refund of any one time payment will be made in accordance with the By-laws.
3. In the event married members are legally separated or divorced, title to the membership shall remain with the spouse awarded the membership in any division of marital property. In the absence of a separation agreement or court decree, the rights and benefits shall continue in the owner of the membership, and both such persons shall remain responsible, jointly and severally, for the payment of all dues, fees, and assessments associated with such membership.

Section D: Redemption

1. Equity Redemption Fund: The Board shall maintain an Equity Redemption Fund which shall be funded through new membership fees from purchasers of property that already have a WLPOA Equity Membership requirement as a deed restriction.
2. Upon ceasing to be a property owner in Wolf Laurel, an Equity Member, Lifetime Equity Member, and Equity Naming Member may make application to the WLPOA for redemption of the Equity Membership fee. An Equity Member, Lifetime Equity Member, or Equity Naming Member shall receive upon redemption only the amount an Equity Member paid to initially join during the same time period, less any amount of overdue dues, charges, or assessments.

Article IV, Meetings

Section A: Membership Meetings

1. Annual Meeting: An Annual Meeting of members shall be held for the purpose of hearing reports from officers and committees, consideration of appropriate business, and election of and/or report on election of the Board of Directors. The Annual Meeting shall be held during the month of July with the date, time, and place determined by the Board of Directors.
2. Special Meetings: Such meetings may be called by the Board of Directors or may be petitioned by no less than 50 members who hold voting rights. Such requests shall state in writing the purpose(s) of the proposed meeting. Business transacted at a Special Meeting shall be confined to the purpose stated in the request.
3. Notice of Annual and Special Meetings: Notice of meetings shall be in writing and delivered by mail, in person, or by electronic means. Notice shall be given not less than fifteen (15) days prior to the date of the meeting.
4. Quorum for Annual/Special Meetings: Ten percent (10%) of the voting members in attendance, or by proxy, shall constitute a quorum at annual or special meetings.

Section B: Board Meetings

1. Monthly Board Meeting: The Board of Directors will meet monthly for the purpose of transacting community business. Meetings shall be held on the first Monday of each month unless rescheduled in advance by the Board and controlled by an agenda published electronically no less than 48 hours prior to the meeting.
2. Quorum for Monthly Meetings: Fifty-one percent (51%) of the Board of Directors in attendance, by teleconference or by proxy, shall constitute a quorum at monthly meetings.

Section C: Conduct of Meetings

The current edition of *Roberts Rules of Order Newly Revised* shall govern the conduct of all meetings unless specifically covered by these By-laws or any special rules of order that may be adopted or as may be required by the statutes of North Carolina.

Article V, Voting Rights and Proxies

Section A: Voting Rights

1. Eligibility: Each membership in good standing shall be entitled to vote on each matter submitted to a vote of the membership of the WLPOA. A membership in good standing is a Wolf Laurel property owner who has paid up dues, usages fees, amenity fee, if any, and assessments.
2. Voting Rights: The right to vote is based upon the ownership of only one (1) residential unit or lot regardless of the number of properties to which a member may hold title. All members shall have one (1) vote. Equity Members and Participant /User Non-Equity Members shall have three (3) votes regarding matters relating to the use and maintenance of the amenities referenced in Article III, Section A, 2 through 5 of these By-laws.

Section B: Proxies

1. Votes may be cast in person or by proxy. To be valid, proxies must be duly certified in accordance with procedure set forth by the Board of Directors. A proxy is valid only for the particular meeting for which it is filed.
2. A proxy may not be used in the election of members of the Board of Directors.

Article VI, Board of Directors

Section A: The Board

1. A Board of Directors shall manage the Association. They must be drawn from Association members in good standing.
2. Board members shall not receive any compensation for services on the Board; however they shall be reimbursed for all documented expenses approved by the Board.
3. The immediate past president, if not continuing as a Board member, shall serve as an ex-officio voting member of the Board. The person serving shall not be counted in the determination of a quorum.

Section C: General Powers

1. The responsibility of the Board shall include, but not be limited to, the following:
 - a. Elect officers of the Association. Such election is to be held at the first meeting of the Board of Directors following the Annual Meeting of the Association.
 - b. Approve appointment of committees when so designated.
 - c. Fill any vacancy that might occur on the Board of Directors or of Officers of the Association until the next Annual meeting, at which time the vacancy shall be filled by election for the remainder of the original term.
 - d. Provide for administrative functions related to the WLPOA including but not limited to:
 - 1) Enter into contracts, leases, deeds, conveyances, easements, licenses concessions, and incur liabilities.
 - 2) Establish and collect the annual dues, amenity fees, facility or area usage charges, assessments, and any other fee or charge.
 - 3) Regulate the use, maintenance, repair, and modification of WLPOA facilities and areas.

- 4) Enter into mortgages for the acquisition of real and personal property including but not limited to the facilities known as The Barn or Wolf Laurel Resort Community Center, and the stand alone building that currently houses the offices of Bald Mountain Development Corporation. The Board in its discretion may utilize all or a portion of the Lifetime Equity Membership fee, Equity Membership fee, and Participant/User Non-Equity initiation one-time fee; a portion of membership annual dues may be used to reduce the amount of the mortgage required for such purchases.
- 5) Hire and terminate managing agents, independent contractors, and other employees or agents.
- 6) Impose reasonable charges for late payment of assessments, dues, and fees.
- 7) Institute, defend, or intervene in its own name in litigation or administrative proceeding on matters affecting the WLPOA, its members, or the Wolf Laurel Community and pay the necessary legal costs for such legal representation
- 8) Provide for the indemnification and maintain liability insurance for its officers, directors, employees, and agents.
- 9) Adopt a budget which details the income and expenditures of the WLPOA and provide for an annual review of income, expenditures, and reserves and incur indebtedness within the limits established. The Board in its discretion may utilize a portion of the Lifetime Equity Member and Equity Membership fee, and one-time initiation payment of the Participant /User Non-Equity Membership and all or a portion of membership annual dues for operating and maintenance costs.
- 10) Approve a depository or depositories for WLPOA funds and determine the manner in which drafts and other instruments for the payment and receipt of funds shall be executed.
- 11) Promulgate, modify, or delete rules and regulations without consent of the members for the operation, maintenance or use of facilities and areas owned or operated by the WLPOA. Such rules and regulations shall be binding on all WLPOA Members until and unless overruled, canceled, or modified at a regular or special meeting by a majority vote of the members entitled to vote on the matter in accordance with Article V of these By-Laws. All members, guests and tenants shall comply with such rules and regulations. Becoming a member, entering upon or using WLPOA property, areas, facilities, programs, or events constitutes agreement that such rules and regulations are accepted by, ratified by, and are binding on all members, guests, and tenants.
- 12) Establish inactive membership status for past dues and assessments owed until such past payments are brought up to date.
- 13) Do all things that prudent administration of the WLPOA will require.

2. Interpretation of By-laws: The Board shall have the corporate power to perform as permitted for non-profit corporations by law, statute, Articles of Incorporation, and by these By-laws. The Board may also determine the interpretation or construction of these By-laws, or any parts thereof, which may be in conflict or of doubtful meaning; the Board's decision shall be final and conclusive, so long as consistent with applicable law and in harmony with the rest of these By-laws.

- a. Conflict between By-laws and Articles of Incorporation: in the event of any conflict between these By-laws and the Articles of Incorporation, the latter shall prevail.
- b. A Board member missing more than eight (8) Board meetings in a two-year term is subject to being removed by the President. Members that attend by teleconference count the same as being physically present.

Section C: Number and Term of Office

The Board shall consist of eleven (11) members elected in staggered terms of six and five members. They shall serve a term of two years and be eligible for reelection. No member may serve more than three consecutive terms without an interim period of one term.

Section D: Nomination and Election

1. No less than (3) months prior to the Annual Meeting, the President shall appoint a Nominating Committee of three (3) members who are not members of the Board. The committee shall be confirmed by the Board of Directors.
2. The Nominating Committee shall submit its report of nominees to the President at least thirty (30) days prior to the Annual Meeting. It shall nominate no less number of nominees than there are vacancies and no more than two (2) nominees for each vacancy.
3. Members not selected by the nominating committee may be nominated by petitions signed by twenty-five (25) members. Such nominations must be submitted to the President in accordance with the dates established by the Board of Directors.
4. A ballot containing names of all nominees, in alphabetical order without mention to method of nomination, shall be sent to Association members not less than fifteen days (15) prior to the annual meeting. The current Board will ensure that biographical information, including the method of nomination, will be included along with each ballot. Members then will have the option of voting by mail, at the Association office, or at the Annual Meeting.
5. The President shall appoint an Election Committee to assume responsibility for the conduct of the election and to tally, verify, and report the results of the election.
6. The candidates receiving the highest number of votes cast shall be declared elected; in the case of a tie for the last position to be filled, a second vote shall be taken to elect the final director. If the second vote results in a tie, subsequent votes shall be taken until the tie is broken. Such ballots are to be distributed to voting members in attendance at the meeting at which the election is being conducted.

Article VII, Officers

Section A: The officers of the Association shall be a President, Vice President, Secretary, and Treasurer

1. Qualifications and Election: The officers shall be members of the Association and shall be members of the Board of Directors. Term of office is for one (1) year. They shall be elected by the Board of Directors at its first meeting following the Annual Meeting.
2. President: The President shall be the presiding officer with such powers usually vested and prescribed by the Board. The President shall preside over all meetings of the Board and of the Association.
3. Vice President: The Vice President shall perform all duties as shall be delegated and shall serve in absence of the President.
4. Secretary: The Secretary shall be responsible for keeping the minutes of all Association business and serving as the custodian for same. Although the duties may be delegated, the responsibility for same resides with the Secretary, who is responsible for giving all notices of meetings and has custody of the corporate seal and supervises the custody of all membership records.
5. Treasurer: The Treasurer shall be responsible for all Association funds, deposits of funds in the approved depository, and disbursement of funds upon request. A current record shall be maintained that identifies all financial transactions to date by budget category. The Treasurer shall assume responsibility for development and presentation of the annual budget for Board approval. Although duties may be delegated, the responsibility for same resides with the Treasurer who shall give a surety bond premium that shall be paid by the WLPOA. Any other persons having access to monies of the WLPOA or its bank accounts shall be similarly bonded.

Article VIII, Quorum of the Board

Section A: A majority of the Board membership shall constitute a quorum for the transaction of business. A quorum being present, a vote of the majority of those present shall constitute the action of the Board except as specifically required in other parts of these By-laws.

Section B: Under exceptional circumstances and at times of the year when it may be impossible to obtain a quorum at a meeting, the President is empowered to poll Board members, electronically or otherwise, on specific matters necessitating action. In such instances, a vote of a simple majority of Board members shall be required to constitute action of the Association. A written record of this alternative method of polling shall be maintained and shall reflect the names of the members contacted by the President or designee along with the individual vote or response by the member. When a quorum cannot be reached in such a manner, votes obtained shall be considered opinion sampling and not binding upon the Association. Board members may participate in meetings by means of teleconference.

Article IX, Committees

Section A: Each year the President, subject to the approval of the Board, shall designate the chairperson and members of the following committees

1. **Social/Activities Committee:** The Social/Activities Committee is charged with the development, promotion, and implementation of various activities including social and amenity activities. The committee recommends to the Board policies for the use of WLPOA facilities including, but not limited to, Wolf Laurel Resort Community Center, pavilion, swimming pool, tennis and basketball courts, and publication of a yearly calendar of events and activities.
2. **Election Committee:** This committee is appointed by the President and does not require confirmation by the Board. One member, however, must be a current Board member. The committee is charged with the logistics of conducting all Association elections/referenda. It shall also serve as a board of tellers in verifying and announcing all election results.
3. **Audit Committee:** This committee is appointed by the President and shall provide a competent audit of the Association books and report findings of same at the time of the Annual Meeting.
4. **Finance Committee:** The Finance Committee shall supervise, direct, and control all matters pertaining to WLPOA finances, including but not limited to, the placing of insurance, the filing of tax returns, payment of taxes, preparation of the annual operating budget, and preparation of the current reports for the Board on WLPOA financial condition. The committee will report to the Board with a condensed operating statement every month. The Treasurer shall serve as Chairman of the committee. The Finance Committee shall have the power, with the approval of the Board to employ at the expense of the WLPOA, such employee assistance as may be necessary to handle the financial records and accounts. The account books and vouchers shall at all times be open to the inspection of any member of the Board.
5. **Executive Committee:** The Executive Committee shall consist of the elected officers. The Executive Committee shall be responsible to handle the affairs of the WLPOA between Board meetings and when a quorum of the Board of Directors is not available for a regular or called Board meeting.
6. **Long Range Planning Committee:** The Long Range Planning Committee shall be responsible for the development of capital investment plans, for recommendations to the Finance Committee regarding capital expenditures, and for such other plans as may be necessary for the continuing improvement of the Wolf Laurel Community.
7. **Ad Hoc Committees:** The President with the approval of the Board may appoint Ad Hoc Committees with specific assignments, as the President shall determine. Ad Hoc committees shall be dissolved upon completion of the assigned task.

8. The President with approval of the Board may set up appropriate committees and appoint committee members to operate, maintain, and provide recommendations for the amenities program and its facilities.

Article X, Fiscal Year

Section A: The fiscal year of the WLPOA shall end on December 31

Article XI, Dues, Fees, Charges and Assessments

Section A: Dues, fees, charges, and assessments. The annual dues, fees, use charges, and assessments shall be set by the Board.

Section B: Payment. Payment of Annual dues must be made by March 31 or within seventy five (75) days of property closing by new property owners. Memberships terminating during a membership year Jan 1-Dec 31 are not entitled to a refund of any dues, fees, use charges, and assessments except as otherwise provided for in these By-Laws.

1. The Board may find it necessary to make an assessment in addition to dues, fees, or charges to cover operating deficits. Such assessment will be prorated equally among all Participant/User Non-Equity Members and all categories of Equity Members based upon the memberships during the year in which the deficit occurs and shall not require such member's approval.
2. An assessment of less than \$75 per membership for capital expenditures or repairs within any fiscal year may be imposed at the discretion of the Board. Such assessment will be prorated equally among all Participant/User Non-Equity Members and all categories of Equity Members based upon membership during any fiscal year and shall not require members' approval.
3. An assessment of more than \$75 per membership for capital expenditure or repairs within any fiscal year shall require two-thirds (2/3) favorable vote cast by the Participant/User Non-Equity Members and all categories of Equity Members responsible for paying the assessment. The assessment will be prorated equally among such members.
4. Non-Equity Members, who are not Participant/User Members, shall pay only the annual dues and shall pay no costs associated with operating the amenities.

Section C: Default in payment. A member shall be considered in default of payment of dues or assessments after sixty (60) days following due date of dues and/or assessments. When in default, the member shall be placed on an inactive list and reinstated only when current dues and/or assessments have been paid in full. A member on an inactive list shall have all membership privileges suspended.

Article XII, Amendments

Section A: Proposing Amendments: Amendments to the By-laws shall be proposed by either a majority of the Board or by signed petition of no less than twenty-five (25) eligible voters. The proposed amendment must be reduced to writing and transmitted to each member as part of the notice of any meeting in which action on the amendment is to be taken.

Section B: Adoption of the Amendment: The eligible voters at a meeting of the Association must approve a resolution adopting a proposed amendment. Members not present may vote by proxy in accordance with provisions set forth by the Board of Directors. The amendment shall be deemed adopted if approved by two-thirds (66 2/3%) of the members present.

Section C: An amendment shall be effective upon adoption unless otherwise stated in the resolution adopting the amendment.

Article XIII, Discipline

Section A: Reprimand, Suspension, and Expulsion. Extraordinary circumstances can allow for suspension or even immediate expulsion without following this progression. The Board shall be sole judge of what constitutes improper conduct, but a two-thirds super majority vote by Board is necessary to expel any member. Any member, family, guest, or tenant of a member whose conduct is improper or likely to endanger the welfare, safety, harmony, or good reputation of the Association or its members may be reprimanded or expelled from Association activities and barred from entry into any area or facility of the Association. The Board shall be the sole judge of what constitutes improper conduct. The reasons for suspension of a member may include, but are not limited to:

1. Submission of false information regarding the use privileges for a guest of the member.
2. Knowingly allowing a guest or tenant to attend or participate in the absence of the member in an activity of the Association when such guest or tenant was not authorized under these By-laws.
3. Failure to pay assessments, fees, use charges and deposits, or other charges that may be required or incurred from the use of a facility or area of the Association.
4. Failure to abide by the rules and regulations as set forth for the use of areas and facilities or for participation in programs or activities of the WLPOA.
5. Causing or allowing damage to a facility or area of the Association.

Section B: Loss of Payments. Any member suspended or expelled from the Association, at the sole discretion of the Board, may not be entitled to the return of any portion of such member's dues, fees, assessment, or the one time fee of any class of Equity Membership.

Article XIV, Conflict of Laws

In the event of any conflict between these By-Laws and the provisions of the North Carolina General Statutes, the provisions of the statutes shall control.

Article XV, Dissolution or Liquidation

Section A: In the event of dissolution or final liquidation of the WLPOA, all the property and assets, after payment of its debts, shall be distributed, as may be permitted by North Carolina law, with all categories of Equity Members receiving a pro rata amount based upon the one-time payment made by each type of Equity Member at that time less the amount of any dues, fees, charges, or assessments that may be unpaid by such member.

Section B: The decision to finally dissolve or liquidate the WLPOA is a function of all the categories of Equity Members. A Special Meeting of the Equity Members shall be called at which time a proposal to dissolve or liquidate shall be the only business discussed.

Section C: A two-thirds (2/3) affirmative vote of all the categories of Equity Members in good standing present at the meeting or by proxy shall be necessary for dissolution or liquidation.

