

BYLAWS  
OF  
BLUE MOUNTAIN OWNERS' ASSOCIATION,  
INC.  
A North Carolina Corporation Not for  
Profit  
As Revised Through June 28, 2010

ARTICLE I. NAME AND LOCATION

A. Applicability. These are the Bylaws of Blue Mountain Owners' Association, Inc. (the "Association"), a North Carolina corporation not for profit organized pursuant to the provisions of Chapter SSA General Statutes of North Carolina as amended from time to time. The purpose and object of the Association shall be to administer the operation and management of the Property, more fully described in the Blue Mountain Owners' Association Declaration of Covenants, Conditions, Restrictions and Easements (the "Declaration"). The provisions of these Bylaws are applicable to the Association and are subject to the provisions of the Declaration and the Articles of Incorporation of the Association ("Articles"). All Members of the Association, and their heirs, successors, assigns and invitees, including, without limitation, all present or future Owners and tenants of Lots or Dwelling Units in the Property and other persons using the Lots in any manner, are subject to these Bylaws, the Articles and the Declaration.

B. Office. The office of the Association shall be at PO Box 1150, 115 Whitfield Lane, Weaverville, North Carolina 28787, or at such other place as may be established by resolution of the Board of Directors.

C. Fiscal Year. The fiscal year of the Association shall be the first day of January through the last day of December.

D. Seal. The seal of the association shall bear the name "Blue Mountain Owners Association. Inc.", the words "North Carolina" the words "Corporation Not for Profit", and the year of incorporation. An impression of the seal is as follows:

## ARTICLE 11. DEFINITIONS

All terms used herein shall have the same meaning and use as set forth in the Declaration.

## ARTICLE III. MEMBERSHIP, VOTING, QUORUM. PROXIES

A. Membership. The qualifications of Members of the Association, the manner of their admission to the membership and termination of such membership and voting by Members shall be as set forth in Articles VI and VII of the Articles, the provisions of which are incorporated herein by reference.

B. Quorum and Approval. Except as otherwise provided in the Articles, the Declaration and these Bylaws, a quorum at meetings of Members shall consist of persons entitled to cast at least twenty percent of the votes of the Members, and such votes shall be considered present if in person, by proxy or by written consent. Unless set forth to the contrary "approval of the Members" shall be deemed to be approval by the majority of votes at a meeting of Members at which a quorum, as determined above, is present.

C. Proxies and Written Consent At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person, by proxy, or by written consent. All proxies shall be in writing and filed with the Secretary. Any proxy given shall contain the date, time and place of the meeting for which the proxy is given and if a limited proxy shall set forth those items for which the holder of the proxy may vote and the manner in which the vote is to be cast and shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof. The proxy shall set forth the name of the person voting by proxy and the name of the person authorized to vote the proxy for him. All such proxies shall be filed with the Secretary prior to or during the roll call of such meeting. At no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the holder of the vote executing it, and in the case of the Member it shall terminate automatically upon conveyance by a Member of his Lot or Dwelling Unit. Written consents shall be signed statements by the Member designating its vote on any matter before the Association.

#### ARTICLE IV. MEETINGS OF MEMBERS

- A. Annual Meetings. Annual meetings shall be held by District, provided a District Association has been formed by the District Members. At such annual meetings, the Members shall elect the Director for each District and conduct such other business as the Members of the District determine, including the matters set forth in paragraph B hereof, to the extent that proper notice is given. In the event a District Association is not formed, the election of a representative shall occur at the Annual Membership meeting of the Blue Mountain Owners Association, Inc. The Districts, and their organization status are:

- a. Eagles Nest District - Association formed.
  - b. The Lodge Condominium District - Association formed.
  - c. Chestnut Village District - No Association
  - d. Cottages District - No Association
  - e. Overlook Village District - No Association.
- Handwritten note: Includes unit number*

B. General Meetings. All matters to be determined by the Association shall be determined by the Board of Directors except the following:

1. Termination of the Declaration (See Article XIV, Section 14.3 of the Declaration).

2. Amendment of the Declaration (See Article XJV, Section 14.4 of the Declaration).
3. Initiation of lawsuits by the Association (See Article XIV, Section 14.6 of the Declaration).
4. Amendment of the Articles (See Article XII of the Articles).

The Members may vote on the foregoing matters either at a special meeting of all Members, called as hereinafter provided; at the District meetings, which shall be held within a reasonable period of time of each other; or by written consent. If determined at a District Meeting, the votes shall be cast by the District Representative. Thereafter the Board will hold a special meeting. and if the percentage of votes is cast for the foregoing the matter will be passed. The determination of whether to hold a meeting of all members, District Meetings or approval by written ballot shall be made by the Board of Directors in their sole discretion.

C. Special Meeting. Special meetings of the entire membership of the Association shall be held whenever called by the President, Vice-President, or a majority of the Board of Directors or by a twenty percent of all members.

D. Quorum. A quorum of Members at any general or annual meeting of Members held in general or in a district shall consist of at least twenty percent of the Members.

E. Notice of Meetings.

1. Generally. Written notice of Annual, District or Special meetings, sometimes jointly referred to as "Meetings", shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association. to each Member entitled to attend such Meeting unless waived in writing. Notice shall be given not more than forty-five (45) days and not less than ten (10) days prior to the Meeting end if a Special Meeting shall state the purpose of such Meeting.
2. Waiver. Any Member may waive notice of any Meeting by delivery of a written waiver to the Secretary.

3. Adjourned Meetings. If any Meeting cannot be held because a quorum is not present, the Members who are present, either in person or by proxy, may adjourn the Meeting from time to time until a quorum, is present, provided however, in adjourning such meeting the Members shall determine the date upon which the adjourned meeting shall be held.

F. Presiding Officer and Minutes. At any Meeting of Members,

the President, or in his absence, the Vice-President, shall preside. or in the absence of both. the Members present shall select a chairmen of the Meeting. Minutes shall be kept in a businesslike manner and available for inspection by directors. Members and their authorized representatives.

## ARTICLE V. BOARD OF DIRECTORS

A. Number of Directors. The Board of Directors shall consist of Five (5) District Representatives, one from each District, plus up to four At-Large Members.

B. Election of Directors.

1. Each District's Membership shall elect their respective District Representatives on the Board in accordance with Article IV, Section A. In addition, the entire Membership of BMOA may elect up to four (4) At-Large Members to the Board at the Annual Membership meeting, provided a **quorum** is present.

2. All at-large candidates for the Board shall submit biographies to the current Board of Directors, as part of the nomination process, either for direct Board review and acceptance as a candidate, or for review and recommendations to the Board by a Nominating Committee, as the Board deems appropriate.

3. Vacancies on the Board may be filled through the unexpired term thereof by the remaining directors. The person appointed by the Board to fill the term of a District Director must be an Owner in the District which has the vacancy. The person appointed by the Board to fill the term of an At-Large director must be a member of the Association but need not be an owner from the same district as the person being replaced.

C. Regular Board Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, Fax, E-mail, telephone or telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived.

D. Special Meeting. Special meetings of the Board may be called by the President. and must be called by the Secretary at the written request of any two of the directors. Not less than five (5) days• notice of a special meeting shall be given to each director, personally or by mail, Fax, E-mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting, unless notice is waived.

E. Board Minutes. Minutes of all meetings of the Board shall be kept in a businesslike manner and available for inspection by Members and directors during normal business hours at the principal office of the Association.

F. Waiver of Notice. Any director may waive notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

G. Quorum. A quorum at meetings of the Board shall consist of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these Bylaws or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these Bylaws or the Declaration, the directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

A director who is present at a meeting of the Board at which action or any corporate matter is taken, shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest

H. Action without a Meeting. The Board may take any action which they might take at a meeting of the Board without a meeting; provided, that a record of all such actions so taken and approval thereof, signed by each director, shall be filed and retained in the minute book of the Association.

I. Removal and Recall. Directors may be removed from office in the manner provided by law for the removal of directors of North Carolina corporations not for profit. Directors may be removed, with or without cause, by a majority vote of the Members of the District.

J. Presiding Officer. The presiding officer of meetings of the Board shall be the President of the Association. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

K. Powers. All of the powers of the Association shall be exercised by the Board, including those existing under the laws of North Carolina. These Bylaws and the Declaration. Such powers shall be exercised, in accordance with the Articles, these Bylaws and the Declaration, and shall include, without limitation, the right, power and authority to perform all powers set forth in Article V of the Articles.

L. Duties. Without limiting any of the foregoing powers or other duties of the Board elsewhere set forth herein or in the Declaration or the Articles, it shall be the duty of the Board of Directors to:

- I. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to Members at least annually.



2. Supervise all officers, agents and employees of the Association. and to see that their duties are properly performed.
3. Fix the amount of the Assessment against each Lot or Dwelling Unit, send written notice thereof to each Member and to take such remedial action as may be necessary or convenient to collect such Assessments.
4. Issue or cause to be issued a certificate setting forth the status of payment of Assessments for any Lot or Dwelling Unit.
5. Procure and maintain adequate liability and hazard insurance on the Common Property.
6. Cause the Common Property to be maintained.
7. Pay all costs of power, water, sewer and other utility services rendered to the Common Property and not billed to the members individually.
8. Pay all taxes and assessments which are liens against any part of the Property other than lots or Dwelling Units and the appurtenances thereto, and assess the same against the Members and their respective Lots and Dwelling Units subject to such liens.

#### ARTICLE VI. OFFICERS AND THEIR DUTIES

- A. Enumeration of Offices. The Officers of this Association shall be a President and Vice-President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. In addition, the President at all times shall be a member of the Board of Directors.
- B. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.
- C. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, shall be removed or otherwise disqualified to serve.
- D. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the **Board** may, from time to time, determine.
- E. Resignation and Removal Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of

such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

F. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

G. Multiple Offices. The offices of Secretary and Treasurer or assistant secretary and assistant treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section D of this Article.

H. Duties. The duties of the officers are as follows:

1. President. The President shall be the chief executive officer of the Association. He shall preside at all the meetings of the Board and shall see that orders and resolutions of the Board are carried out. He shall have all the powers and duties which are usually vested in the office of President of a corporation not for profit, including without limitation, the power to sign all mortgages, deeds of deeds and other written instruments, co-sign all checks and promissory notes, appoint committees from among the Members from time to time, as he in his discretion determines appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board may designate.
2. Vice-President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.
3. Secretary. The Secretary shall record the votes and keep the minutes of all proceedings of the Board and the Members, attend to the affairs of the Association, record the votes, keep the corporate seal, serve notice of meetings, keep all corporate minutes and shall have such additional powers as the Board may designate.
4. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors and in accordance with the budget determined annually, shall keep proper books of accounts, cause an annual financial review to be made and shall cause a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy to each Member.

I. Compensation and Conflict of Interest. No compensation shall be paid to any officer of the Association except with the approval of the Members. Nothing herein shall be construed so as to prohibit or prevent the Board of directors from employing any director or officer as an employee of the Association at such compensation as the Board shall determine, nor shall anything herein be construed so as to preclude the Board from contracting with a director or officer or with any corporation in which a director or officer of the Association may be stockholder, officer director or employee, for the management of the Association for such compensation as shall be mutually agreed between the Board and such officer, director or corporation, for the purpose of making available to the Members such services as are contemplated by the provisions of the Articles or of these Bylaws. It is expressly acknowledged and contemplated that the Board of Directors may enter into such contracts with persons who are initial officers or directors of the Association, or with corporations having officers, directors or employees who are also members of the Board of Directors of the Association.

## ARTICLES VII. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration and the Articles shall be supplemented by the following provisions:

A. Assessment Roll. The Assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Member and his respective Lot or Dwelling Unit. Such account shall designate the name and mailing address of the Member owning each Lot or Dwelling Unit, the amount of all Assessments against the Member and due date thereof: and all amounts paid, and the balance due upon all Assessments.

B. Annual Budget. The Board shall adopt for and in advance of each fiscal year, a budget showing the estimated cost of performing all of the functions of the Association for the year. The budget shall show the total estimated expenses of the Association for that year, including reserves, and shall contain an itemized breakdown of the Common Expenses. Each budget shall also show the proportionate share of the total estimated Common Expenses to **be assessed** against and collected from the Members and due date(s) and amount of installments thereof, and to the extent applicable, the expenses to be charged against Districts and the district Assessment resulting therefrom. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for WIY such Assessment. nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and Assessments levied pursuant thereto. Nothing herein contained shall be considered as a limitation upon the levying of an Special Assessment in the event that any budget originally adopted shall appear to be insufficient to pay the costs and expenses of operation and management or in the event of emergencies.

C. Notice of Adopted Budget. Upon adoption of a budget, the Board shall cause written copies thereof to be delivered to all Members. Assessments shall be made against

Members pursuant to procedures established by the Board, and in accordance with terms of the Declaration and Articles, provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these Bylaws.

D. Assessments. If an Annual Assessment is not adopted as required, an Annual Assessment shall be presumed to have been made in the amount of the last prior Annual Assessment, and installments of such Annual Assessment shall be due on each installment payment date as previously established by the Bylaws until changed by an amended Assessment. In the event the Annual Assessment proves to be insufficient the budget and Assessments may be amended at any time by the Board of Directors subject to the limitations of the Declaration. Unpaid Assessments for the remaining portion of the fiscal year for which an amended Assessment is made shall be payable in equal installments through the end of the fiscal year; provided nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum Assessment in case of any immediate need or emergencies.

E. The Depository. The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall only be by checks or withdrawals signed by such persons as are authorized by the directors, provided that any management agreement may include in its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association.

F. AYM1. An audit of the accounts of the Association may be made from time to time as directed by the Board of Directors.

G. Fidelity Bonds. Fidelity bonds shall be required for the Board and any persons handling or responsible for Association funds as the Board of Directors shall direct in an amount to be determined by the Board as more fully described in the Articles.

## ARTICLE VIII. PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Articles or these Bylaws.

## ARTICLE IX. AMENDMENTS TO BYLAWS

These Bylaws may be amended by a vote of a majority of a quorum of Members present in person or by proxy at an Annual Membership Meeting of the Association.

ARTICLE X. BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI. COMMITTEES

The Board of Directors may appoint committees as deemed appropriate in carrying out its purpose.

ARTICLE XII. GENERAL

In the case of any conflict between the Articles and these Bylaws, the Articles shall prevail. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall prevail.

The foregoing were adopted as the Bylaws of Blue Mountain at Wolf Laurel Owners' Association, Inc., a corporation not for profit under the laws of the State of North Carolina, at the first meeting of the Board of Directors; AND, as amended/ revised at the Annual Membership meeting on September 14, 2002 and June 28, 2010.

BLUE MOUNTAIN OWNERS' ASSOCIATION  
A North Carolina not for profit corporation

By: \_\_\_\_\_)

C. Stuart Maclean, President/Director

