

BUTLER MOUNTAIN BALD, INC. Bylaws October 30, 2013

Mission Statement.

The purpose for the Corporation is to own and maintain a five-acre tract located on the top of Butler Mountain, referred to as "The Bald" or "BMB." The Corporation shall own and maintain The Bald property for the benefit of all Property Owners within Butler Mountain Highlands and all properties within Butler Mountain Estates and Butler Mountain Estates Section 3.

Article I: Membership.

Section 1: Definition of a member of Butler Mountain Bald Inc.

Members of Butler Mountain Bald Inc are:

- 1) Butler Mountain Highlands
- 2) Butler Mountain Estates
- 3) Butler Mountain Estates, Section 3

Section 2: Contributors. All property owners within the three Member groups are eligible to become Contributors to Butler Mountain Bald Inc. All Property Owners who voluntarily contribute dues for the current year will be considered a Contributor and will have voting privileges for that year. Annually, each Contributor will pay only one contribution and have only one vote regardless of the number of lots owned. An Acknowledgment of Deed for Common Area from Brownco, Inc. to Butler Mountain Bald, Inc., will need to be executed for contributors within Members 2 and 3.

If more than one person holds an interest in any Contributor's lot or lots then all such persons shall be members. With the single dues payment, the single vote for such membership shall be exercised as they among themselves determine.

Section 3: Dues. Annual dues are voluntary. If a Property Owner has no interest in Butler Mountain Bald Inc. they may choose not to become Contributors.

Article II: Directors.

Section 1: Selection of Directors. It is the duty of each director to represent the views of the majority of the BMB Contributors in his or her respective development. Directors shall receive no compensation for any service rendered as Director.

- (a) One Director each shall be a Property Owner of and shall represent Butler Mountain Estates (BME); Butler Mountain Highlands (BMH); and Section 3. Interests of Kerney McNeil lot owners will be represented by the BME Director.
- (b) Director terms are for three years, on a staggered basis.
- (c) A Director will be selected by BME for the term beginning in January 2014, followed by Section 3 in 2015, and then by BMH in 2016. This three-year rotation pattern will be repeated permanently.
- (d) Directors already in place in 2013 shall serve until succeeded, as described above.

Initials of Directors; JD, SW, CB.

Section 2: Offices/Officers. At the first Director Meeting annually, the Directors shall elect a President, Treasurer and Secretary. Either the Treasurer or Secretary may also serve as Vice-President. Terms are for one year. Officer duties are as determined by the directors at meetings.

Section 3: Replacement of Directors. If a Director becomes ineligible or resigns, then the respective development, through its Board of Directors, shall be asked by BMB to promptly name a replacement for the remainder of the term.

Section 4: Powers and Duties of Directors.

- (a) Keep BMB records and minutes of all meetings; include financial update in all minutes and circulate to Contributors within 14 days of meetings.
- (b) Prepare a treasury report of the last fiscal year for basis of the current year's budget for action by the Contributors at the annual meeting. Upon approval of the budget the Treasurer will collect and promptly deposit dues revenue.
- (c) Pending Contributor approval, makes interim decisions on maintenance issues, right-of-way access, and safe use of the BMB property. Contributors vote on permanent rules to be incorporated in the bylaws.
- (d) Enforce rules of use and expulsion of violators; prosecute vandals.
- (e) Make deposits and withdrawals while executing BMB obligations.
- (f) Adopt reasonable rules of order for all-Contributor meetings.
- (g) Consistent with the approved budget, employ and supervise persons to maintain the Bald.
- (h) Recruit and select BMB Contributors for service on committees, as appropriate.
- (i) Update and distribute signed/dated bylaws annually, as changes occur.
- (j) Perform all requirements of the state of North Carolina and promptly make required payments of fees and taxes.

Article III: Meetings:

Section 1: Directors. There shall be a minimum of three Director Meetings annually. A quorum of two of three Directors is required for any action; however, a vote must be taken by all three Directors to be valid. A maximum of one Member's vote(s) may be by means of telephone or by electronic means, and will be noted as such in the minutes.

Section 2: Contributors. There shall be one annual Meeting called for Contributors within the first two months of the calendar year. The purpose of the Annual meeting shall be to vote on management, rules of use, and budget matters. Notice shall be given to all Contributors of the preceding year at least thirty days in advance, in accordance with statute. Location of the meeting shall be as determined by the Directors. Invitations may be given to all eligible Property Owners via Newsletter, at the time of the meeting announcement. A quorum shall consist of twenty-five percent of Contributors, in person or by written proxy provided to the Secretary prior to the start of the meeting. Minutes of this meeting will be kept and distributed within fourteen days to all Property Owners. These minutes shall contain the

Initials of the Directors; JD, SW, BB.

annual notification of the BMB maintenance dues amount and the due date. It is the duty of each

Contributor to keep the Secretary informed of a current US mail address, a valid electronic address, and telephone number. In addition to the annual meeting, either the board or a simple majority of Contributors may call a special meeting, as necessary.

Section 3: Voting. Voting by the 3 Member's combined Contributors, create binding decisions regarding management practices, rules of use, and budget matters.

Article IV: Rules of BMB Use.

Rules shall be as determined by Contributors at annual meetings. The directors may set interim rules during a calendar year, which are subject to adoption, cancellation, or amendment by Contributors at the next annual or special meeting. Such rules shall be incorporated in the bylaws through the amendment process. If Rule changes are made, updated bylaws with current date shall be distributed to Contributors. The following Rules of Use shall be in effect until/unless changed by vote:

- (1) All camping by reservation only, based on approval of a director.
- (2) For any extended use Property Owners must accompany guests.
- (3) Pack it in; pack it out....no littering.
- (4) BMB is a wildlife sanctuary; no hunting and no discharge of firearms; pets must be under control of owners at all times.
- (5) All 4X4 Vehicles, including ATVs, must remain on marked trails at all times. Currently 2X2 wheel vehicles are not allowed due to the condition of the BMB Access road.
- (6) Currently No fires or fireworks of any kind are permitted.

Article V: Amendment.

Bylaws will be amended only by majority vote of Contributors at an annual or special meeting.

INDEMNIFICATION

- (a) The Corporation may indemnify any person who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a director, officer, employee, or agent of the Corporation against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation.
- (b) To the extent that a present or former director, officer, employee, or agent of the Corporation has been successful, on the merits or otherwise, in the defense of any proceeding referred to in Section (a) of this Article, or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with such proceeding if that person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation.
- (c) Sections (a) and (b) of this Article will not apply in any proceeding in which the director, officer, employee, or agent is liable for gross negligence or willful misconduct in the performance of his or her duties.
- (d) Such rights of indemnification will not be exclusive of any other rights to which such director, officer, or employee may be entitled apart from this provision.
- (e) The Corporation shall have power to purchase and maintain, at the Corporation's expense, insurance on behalf of the Corporation and on behalf of any director, officer, employee, agent, or other person to the extent that power has been or may be granted by statute.
- (f) The Corporation shall have the power to give other indemnification to the extent permitted by law.

Initials of Directors ND, SN, ES.

The undersigned do acknowledge the execution and recording of the Bylaws for Butler Mountain Bald in full satisfaction of all obligations for the provision of the common area. In witness thereof the parties have hereunto set their hands this the 30th day of October, 2013.

Sparrel Wood
Sparrel Wood

Eddie Schoff
Eddie Schoff

Jean Durkin
Jean Durkin

North Carolina Buncombe County

I, ~~Sparrel Wood~~ Ricky P. Brockwell Jr.

a Notary Public for said County and State, do hereby certify that Sparrel Wood, Eddie Schoff, Jean Durkin being duly sworn personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and official seal this the 30th day of October 2013

Ricky P. Brockwell Jr.
Notary Public
My commission expires 8/29/ 2013

