

**AMENDED & RESTATED
BYLAWS
OF
PISGAH FOREST FARMS
PROPERTY OWNERS ASSOCIATION INC.**

SEPTEMBER 18, 2011

ARTICLE 1 – IDENTIFICATION

Section 1. **NAME:** The name of this corporation is PISGAH FOREST FARMS PROPERTY OWNERS ASSOCIATION Inc. referred to herein as the “Association”.

Section 2. **PRINCIPAL OFFICE:** The principal office of the Association shall be at Pisgah Forest Farms, located in Transylvania County, Pisgah Forest, North Carolina 28768, or such specific other location in Transylvania County, North Carolina as may be from time to time, designated by the Board of Directors, referred to herein as the “Board.”

Section 3. **SEAL:** The Board shall adopt a corporate seal containing the name of the Association together with the state name abbreviation.

Section 4. **FISCAL YEAR:** The fiscal year of the Association shall be the calendar year.

ARTICLE II - PURPOSE and POWERS

Section 1. **PURPOSE:** The purposes for which Pisgah Forest Farms Property Owners Association Inc. is organized are to further and promote the common interest of owners within Pisgah Forest Farms, Pisgah Forest Farms Estates, Forest Park, and the Pinnacle located in Pisgah Forest, Transylvania County, North Carolina, and in connection therewith to own, maintain, operate, or provide for the operation of common properties of all kinds for the use, enjoyment, and benefit of its members.

Section 2. **DECLARATION:** The restated Declaration of Covenants of Pisgah Forest Farms, Pisgah Forest Farms Estates, Forest Park and the Pinnacle as recorded in deed book 479, page 374, (as corrected by Affidavit recorded in Document 549, Page 593) Transylvania County Registry and as the same may be amended from time to time, is hereby incorporated as reference. It shall be the duty of the officers and directors of the Association to exercise those duties imposed on them by said covenants and these Bylaws.

Section 3. **POWERS:** The Association shall do whatever is necessary conducive, incidental, or advisable to accomplish and promote its purpose and, in connection therewith, shall have, but shall not be limited to, the following powers:

(a) To promote and fulfill the intent and purposes of the Restrictive Covenants;

- (b) To preserve and enhance the natural beauty of Pisgah Forest Farms, Pisgah Forest Farms Estates, Forest Park and the Pinnacle;
- (c) To acquire real property by gift or other means and personal property by gift, purchase, or other means;
- (d) To exercise the powers and functions granted to it in recorded subdivision restrictions affecting property in Pisgah Forest Farms, Pisgah Forest Farms Estates, Forest Park and the Pinnacle;
- (e) To regulate, maintain, rebuild, repair, beautify and otherwise care for all the roads within the development not subject to regulation or government authority. This specifically excludes the construction of new roads.
- (f) To enforce changes, easements, restrictions, covenants, conditions or agreements existing or created for the benefit of real property within the development;
- (g) To levy annual charges upon the Members and to declare the same a lien against the property subject hereto, in accordance with the recorded subdivision restrictions relating to the development;
- (h) To develop means for protection from fire, vandalism and public nuisance; and
- (i) To take all other actions necessary or expedient for the administration of its affairs and the attainment of its purpose not otherwise inconsistent with or in violation of the laws of the State of North Carolina pertaining to corporations not for profit.

Section 4. **CONFLICT:** In the case of any conflict between the Restrictive Covenants and the bylaws the Restrictive Covenants shall control.

ARTICLE III – MEMBERSHIP

Section 1. **DETERMINATION:** Membership in the Association is limited to persons or entities who are legal owners of numbered lots/tracts/parcels on the recorded plats of Pisgah Forest Farms, Pisgah Forest Farms Estates, Forest Park and the Pinnacle recorded in the office of the Register of Deeds for Transylvania County, North Carolina and on certain recorded deeds in the Register of Deeds for Transylvania, North Carolina, said plats and deeds more fully described below:

By Amendment to Restrictive Covenants of Pisgah Forest Farms, Inc., dated March 7, 2008, as recorded in Deed Book 389, Page 165, Transylvania County Registry, to which reference is specifically made, the lots and parcels shown on the following plats (Plat Book 5, Pages 68,68-A, and 68-B; Plat Book 5, Pages 71,71-A and 71-B; Plat File 1, Slides 18, 18-A, and 20; Plat File 1, Slide 34, 45, 131 and 131A; and Plat File 5, Slides 391, 392, 393, 394 and 395) were subject to said Amended Restrictive Covenants. After the filing of the Amendment referred to above, other lots and parcels as shown on the following plats and deeds (Plat File 4, Slide 166; Plat File 7, Slide 89; Plat File 8, Slide 309; and Plat File 9, Slide 556 and 616), (Plat File 6, Slides 206, 255, 276 and 566; Plat File 7, Slides 89, 482 and 787; Plat File 8, Slides 1065, Plat File 9, Slides 518, 519, 556, 766 and 767; Plat File 10, Slides 5 and 636; Plat File 11, Slide 295; and Plat File 12, Slide 7), (Plat File 6, Slides 123, 124, 125, 126 and 127; Plat File 7, Slides 56, 55

and 554; Plat File 9, Slide 190; Plat File 10, Slide 177), (Plat File 7, Slide 775), (Plat File 11, Slide 517) (Lots and or parcels described in Deed 29/422 [Newkirk land], lots and or parcels described in Deed 112/238 [Eckart land], lots and or parcels referred to in part as "Forest Park" described in Deed 112/262 [Booth land] and lots and or parcels described in Deed 113/754 [Blue Cup LLC land]) were made subject to the Amended Restrictive Covenants. All of the lots and parcels shown hereinafter are hereafter referred to as the Development. Membership may be granted to adjoining property owners at the discretion of the Board of Directors.

Section 2. **MEMBERSHIP RIGHTS:** Membership in the Association shall be vested based on the type and number of properties owned. Members shall be entitled to three votes for each legally owned property upon which a residence is situated and one vote for each legally owned property which does not contain a residence.

Section 3. **MEMBERSHIP ROLLS:** A membership roll shall be maintained by the Association containing sufficient data to determine the name and address of members and a description of the land tract or property upon which such membership is based.

Section 4. **TRANSFER:** Membership in the Association is transferable only upon the conveyance or other disposition of legal or equitable title of the land tract in the development upon which such membership is determined. Transfer of membership shall be subject to payment of all indebtedness to the Association by the owner of the lot at the time the assessment was levied.

ARTICLE IV - MEETINGS of MEMBERS

Section 1. **LOCATION of MEETINGS:** Meetings of members of the Association shall be held in the County of the Association's principal office in the state of North Carolina at such particular place therein as stated in notice of such meeting.

Section 2. **ANNUAL MEETING:** The annual meeting of the members of the Association for election of directors and for transaction of such other business as may properly come before said meeting shall be held at such hour and on the first Saturday in December of each year, as may be specified in the notice of the annual meeting.

Section 3. **NOTICE:** Written notice of each annual meeting shall be given to each member entitled to vote, either by email, personal delivery or by mail, addressed to such member at their recorded address appearing on the books of the Association. All such notices shall be sent to each member entitled thereto not less than fifteen (15) and not more than sixty (60) days before each annual meeting, and shall specify the place, date and the hour of such meeting, and shall also state the general nature of business or proposals to be considered or acted upon at such meeting.

Section 4. **SPECIAL MEETINGS:** Special meetings of the members may be called by the Association President, by a majority of the Board or by not less than fifteen (15) members who have valid voting privileges. Except in cases where other type of notice is expressly required by statute, notice of any special meeting shall be given in the same manner as for the annual meeting. Such

notice shall specify the specific purpose of the meeting. No other business may be transacted at said meeting.

Section 5. **ADJOURNED MEETINGS:** Any meeting of members, whether annual or special and whether or not a quorum is present may be prematurely adjourned if approved by a majority of the members present.

Section 6. **QUORUM:** The presence at any meeting, in person or by proxy, of members holding thirty-five percent (35%) of the total shares described in Section 7 of this Article shall constitute a quorum for the transaction of business. This would include the number of votes cast in an electronic vote or a mailed proxy.

If any annual or special meeting cannot be held for lack of a quorum, such meeting shall be adjourned for a period of not less than forty-eight (48) hours or more than thirty (30) days from the time the original meeting was scheduled.

Section 7. **VOTING:** On any issue considered at an annual or special meeting of the membership, members shall be entitled to cast votes in accordance with Article III Section 2 and in Section 10 of this Article. Only members who meet the provisions of Section 8 of this Article shall be entitled to vote. This would include an electronic vote or a mailed proxy vote.

Approval of any motion shall require a simple majority of the total votes, including proxies, cast.

Section 8. **ELIGIBILITY/RECORD DATE:** The Board of Directors of the Association shall establish a record date for the determination of members who will be eligible to receive notice of and vote at any annual or special meeting. Eligibility will be determined based on legal ownership of specified property and current payment of all assessments.

Section 9. **ACTION WITHOUT MEETING:** Any action that may be taken at a meeting of members may be taken without a meeting if authorized in writing (including electronically) by the members representing a majority of the votes entitled to be cast upon such action at a meeting duly called. Exceptions to this provision shall be the election of directors, amendments to the Bylaws and any statute prohibiting such action.

Section 10. **PROXIES:** Every member entitled to vote shall have the right to do so either in person by an agent or agents authorized by a written proxy executed by such member or his duly authorized agent and filed with the Secretary of the Association.

Approval of any motion shall require a simple majority of the total votes, including proxies, cast.

ARTICLE V - BOARD of DIRECTORS

Section 1. **POWERS:** All corporate powers of the Association shall be exercised by the Board of Directors subject to any limitations of these Bylaws, the Articles of Incorporation, and the laws of the State of North Carolina. The Directors shall have the following powers:

- (a) Conduct, manage and control the affairs and business of the Association or any of its facilities or properties and make such rules and regulations as are not inconsistent with law, these Bylaws or the Articles of Incorporation;
- (b) To select and remove all officers and agents of the Association and prescribe such powers and duties for them as may not be inconsistent with law, with articles of incorporation or these Bylaws;
- (c) To change the principal office for the transaction of the business of the Association from one location to another as provided in Article 1, Section 2, hereof, to designate the place for the holding of members meetings, and to adopt and use a corporate seal;
- (d) To take such steps as may be necessary to implement any of the powers of the Association enumerated in Article II, Section 3, hereof;
- (e) Appoint Association members to such committees as are enumerated in Article VII and delegate powers and authority as are necessary for the operation of such committees and not inconsistent with these Bylaws; and
- (f) Budget and expend Association funds. The budget for the fiscal year shall not exceed the maximum assessments for the year. Spending for the fiscal year shall not exceed the total budget approved for the year unless approved by a simple majority of the written or electronic votes of the membership.

Section 2. **NUMBER and QUALIFICATION:** The authorized number of directors shall be five (5). Their terms of office shall be three years and staggered so that approximately one third (1/3) of acting directors will be elected annually by members, plus those elected to replace vacancies caused by death, resignation or removal of a director.

Section 3. **NOMINATIONS:** Nominations for election to the Board of Directors shall be made from among the members by the Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall make as many nominations for the Board of Directors as it shall, at its discretion, determine but not less than the number of vacancies to be filled.

Section 4. **ELECTION AND TERM OF OFFICE:** At each annual meeting the members shall, by secret ballot, elect Directors to fill the vacancies of those members whose terms have expired or the balance of the term of vacancies resulting from death, resignation or removal of any Director. If, for any reason, such meeting is not held or Directors not elected, they may be elected at a special meeting of members held for that purpose. The term of office is to start at the end of the annual meeting in which they are elected or reelected and end at the conclusion of the annual meeting three years hence. In the event the positions are not filled at the annual meeting the Board shall appoint a volunteer member of the association whose term will expire at the end of the annual meeting one year hence.

Section 5. **REMOVAL:** Any Director may be removed from the Board, with or without cause, by a majority of the total votes cast in accordance with Article IV Section 7 of these Bylaws.

Section 6. **COMPENSATION:** No Director, officer or committee member shall receive compensation for any service they may render to the Association. However, any approved expense incurred in performance of their duties shall be reimbursed.

Section 7. **VACANCIES:** All vacancies on the Board of Directors must be filled. Vacancies which occur between annual meetings shall be filled by appointment. Such appointment shall be approved by a majority of the Board of Directors. The term of office for the appointed Directors shall be for the balance of the year in which the vacancy occurs. At the next annual meeting, the membership shall elect a Director for the remainder of the term of the Director who was replaced.

Section 8. **BOARD MEETINGS:** Immediately following the annual meeting of members the Board of Directors shall hold a meeting of its members for the purpose of organization, election of Association officers and transacting any necessary business. Regular meetings of the Board of Directors shall be held at least quarterly at such place and time as designated by the President or, in the President's absence, by the Vice President. Special Board meetings may be held at any time upon the call of the President or in the President's absence or refusal to act, by the Vice President or any two Directors. Notice shall be given to each Director in a timely manner.

Section 9. **QUORUM:** A majority of Directors shall be necessary to constitute a quorum for transaction of business. All decisions for actions shall be made by a majority of the Directors present at a duly constituted meeting at which a quorum is present and shall be regarded as the act of the full Board.

Section 10. **ACTION TAKEN WITHOUT A MEETING:** The Directors shall have the right to take any specific action in the absence of a meeting which may be taken at a meeting by obtaining the written approval of a majority of the Directors. Such approval may be electronic or in writing. The President or, in the President's absence, the Vice President shall certify the approval to the Secretary who shall maintain a record.

ARTICLE VI – ASSOCIATION OFFICERS

Section 1. **GENERAL:** The officers of the Association shall be President, Vice President, Secretary and Treasurer. Officers shall be elected by the Board of Directors. All officers must be Directors.

Officers shall be elected for a term of one year. In the event of a vacancy in one or more officer position the Board of Directors shall determine a replacement from among its members.

Section 2. **RESIGNATION OR REMOVAL:** Resignation of an officer shall take effect at the time stated in the notice of resignation or upon receipt of the notice of resignation. Acceptance of such resignation shall not be necessary to make it effective.

Any officer may be removed from a specific office by a majority vote of the Board of Directors.

Section 3. **PRESIDENT:** The President shall be chosen from the Board of Directors and shall be the chief executive officer of the Association subject to the approval by the Board. The President shall

preside at all meetings of the Board and at annual and special meetings of the Association. The President shall be a voting member of the Architectural Control Committee and an ex officio member of all other committees. The President may be granted other powers or duties by the Board subject to the limitations of these Bylaws or the Corporate Charter. The President shall have general supervision and management of the business of the Association. The President shall be responsible for notifying Board members of Board meetings.

Section 4. **VICE PRESIDENT:** In the absence or disability of the President, the Vice President shall have all the duties and powers of the President. The Vice President shall have such other duties and power as may be determined by the President, the Board or these Bylaws.

Section 5. **SECRETARY:** The Secretary shall keep minutes of all the meetings of the Board of Directors and annual and special meetings of the Association. Minutes shall include the date and time of meetings, names of those present at Board meetings, the number of members present or represented at membership meetings and the proceedings of each meeting. Minutes of all meetings shall be distributed to the Board of Directors and made available to any member of the Association. Availability shall be in the form of electronic media or paper or both.

The Secretary shall be responsible for maintaining copies of all correspondence generated by the Board.

The Secretary shall be responsible for the maintenance and safekeeping of the Articles of Incorporation, Restrictive Covenants, Bylaws and the Seal of the Association.

The Secretary shall give or cause to be given notice of all meetings of the Association members. Such notice shall include the date, time and place of such meeting.

The Secretary shall perform other duties as may be prescribed by the President or the Board of Directors.

Section 6. **TREASURER:** The Treasurer shall be the principal financial officer of the Association and shall be responsible for maintaining and recording the financial transactions of the Association.

The Treasurer, at the direction of the Board, shall establish and publish to the members at each annual meeting a proposed budget for the upcoming fiscal year.

The Treasurer shall deposit all moneys and other valuables in the name of the Association with depositories designated by the Board and shall disburse funds as approved by the Board.

At each Board meeting the Treasurer shall render an account of all transactions, the financial condition of the Association and the status of the approved budget.

The Treasurer shall, at least annually, recommend to the Board fiscal actions necessary for the operation of the Association. Such actions shall include, but not be limited to, member assessment amounts, placement of financial liens on delinquent Association members, budgetary actions and

limitations.

The Treasurer shall keep and maintain a list of all members of the Association identifying mailing address, location of owned lots and telephone number, if available. Such list shall be furnished to the Board of Directors prior to any meeting of the Association members.

The Treasurer shall be responsible for billing and collection of assessments and fees from Association members in accordance with the Covenants and these Bylaws and shall provide the Board with periodic reports on the status of assessment payments. Each year 30 days prior to the annual or any special meeting of the members the Treasurer shall notify the Board of members who are not eligible to cast votes because of delinquency of assessment payments.

The Treasurer shall make all financial records available for inspection by an audit committee at the conclusion of each fiscal year. Records will be open to inspection by any member at any reasonable time. Within 120 days after each annual meeting the Treasurer shall publish or cause to be published a financial statement for the previous fiscal year.

The Treasurer shall update the Articles of Incorporation with the North Carolina Secretary of State if ever the mailing address for PFFPOA, Inc changes.

The Treasurer shall have such other powers and perform such other duties as prescribed by the Board or the President.

ARTICLE VII – COMMITTEES

Section 1. The Board of Directors shall be responsible for the establishment and direction of such committees of members as are necessary and conducive to the operation of Association business and activities.

Section 2. **STANDING COMMITTEES:** Standing committees are hereby established. Such committees shall be:

- (a) Architectural Control Committee
- (b) Road Committee
- (c) Firewise Committee
- (d) Beautification Committee
- (e) Nominating Committee
- (f) Audit Committee
- (g) Website Committee

Such committees shall be permanent and may only be eliminated by approval of a majority of the Board. The Board may approve combination of two or more committees if it deems such combination necessary and/or conducive to effective achievement of the committees' functions; however, the functions of each committee as described in these Bylaws shall remain.

Section 3. **ARCHITECTURAL CONTROL COMMITTEE:**

- (a) In accordance with the Covenants the Architectural Control Committee shall review and recommend action to the Board for plans for construction of new dwellings and outbuildings, exterior remodeling and additions to existing dwellings and structures. It shall also review and recommend action for siting of dwellings and outbuildings on lots and plans for handling vegetation removal; signs; subdivision of lots;
- (b) The Architectural Control Committee shall consist of up to five (5) members. The President of the Association will be a voting member. The remaining members will be appointed by the Board, one of whom shall be designated as chairman;
- (c) Any project must be approved or disapproved by a majority of members of the committee. Only three (3) members will be required to act on any proposed project;
- (d) With the approval of the Board, the Architectural Control Committee may make exceptions to provisions required by the Covenants if such exceptions are necessary or desirable;
- (e) The committee shall monitor ongoing projects until completion; and
- (f) The committee chairman shall report to the Board all activity subject to committee's oversight. Such reports shall be made at each Board meeting or more often if necessary and shall be made in person or in writing.

Section 4. **ROAD COMMITTEE:** The Road Committee chairperson and members shall be responsible for monitoring conditions of roads for which the Association is responsible and recommend action as it deems necessary.

As directed by the Board, the committee shall obtain and recommend to the Board acceptance of bids for work to be done if the work is anticipated to cost more than a dollar amount set by the current Board. The committee shall monitor activity of contractors employed and report such activity to the Board at its regular meetings. Such reports shall be in person or writing.

Section 5. **FIREWISE COMMITTEE:** The Firewise Committee shall be responsible for providing fire prevention and property loss prevention education to Association members.

The Firewise Committee shall coordinate the annual fire prevention brush cleanup activities.

The Firewise Committee Chairperson shall be responsible for submitting required documents to maintain the Association's Firewise Communities/USA status. The Chairperson shall also undertake requests for Firewise grants.

Section 6. **BEAUTIFICATION COMMITTEE:** The Beautification Committee shall be responsible for maintaining the appearance of the entranceway to the development and propose to the Board of

Directors other actions to enhance the overall appearance of the community.

Section 7. **NOMINATING COMMITTEE:** The Nominating Committee shall consist of a chairperson and up to two (2) members of the Association.

The Nominating Committee shall make as many nominations from the Association membership for election to the Board of Directors as it shall, at its discretion, determine, but not less than the number of vacancies to be filled.

The slate of nominees shall be furnished to the Board no later than 60 days prior to the annual meeting.

The Nominating Committee shall also advise the Board on filling Director vacancies occurring during the annual term.

Section 8. **AUDIT COMMITTEE:** The Audit Committee shall inspect the financial records of the Association and shall report their findings to the Association members at each annual meeting.

Section 9. **WEBSITE COMMITTEE:** The Website Committee shall be responsible for the development and maintenance of the Association website, PFFPOA.org.

The Website Committee shall provide the website with the appropriate documents as approved by the Board of Directors and establish links to such for Association/Board members.

The Website Committee updates the website with appropriate Association news, community information and educational material.

The Committee shall maintain Board passwords and all member email addresses.

Section 10. **OTHER COMMITTEES:** The Board shall establish such other committees as it shall deem necessary or conducive to the operation of the Association's business. Such committees may be either standing or ad hoc. The Board shall establish guidelines for the operation and reporting of such committees.

ARTICLE VIII - ASSESSMENTS AND CHARGES

Section 1. **ANNUAL ASSESSMENTS:** The Board of Directors shall, each year, determine current and future financial requirements of the Association and fix by resolution the amount of the assessment to be levied against each numbered lot/tract/parcel within the development. Lots upon which a residence has been constructed shall be assessed three (3) shares. Lots upon which no residence has been constructed shall be assessed one (1) share.

In accordance with Article XV of the Restated Declaration of Restrictive Covenants, such assessment shall be a debt of the owner of the lot at the time the assessment was levied.

The annual assessment for each lot may not increase by more than fifteen percent (15%) of the previous year's assessment. If additional annual assessments are necessary such assessments must be approved by a majority of the votes cast in accordance with Article IV Section 7 of these Bylaws.

All assessments shall be prepaid or paid in installments as approved by the Board.

Section 2. IMPACT FEES: In accordance with Article II Section D of the Restated Declarations of Restrictive Covenants an impact fee shall be assessed for all new construction and will be due and payable at the time plans are submitted to the Architectural Control Committee. The current fee amount can be found on the Association Website (pffpoa.org) in the Architectural Control section under *Impact Fee*.

This fee amount may be changed by a majority vote of the Board.

Section 3. NOTICE: The Treasurer shall mail to each Association member at such member's recorded address, written notice of each annual assessment and the date at which such assessment will become delinquent and be subject to additional fees in accordance with Article XV Section B of the Restated Declarations of Restrictive Covenants. Such notice shall be mailed at least thirty (30) days prior to the time any assessment shall become due.

ARTICLE IX – MISCELLANEOUS

Section 1. EXECUTION OF CONTRACTS: The Board of Directors except as otherwise prohibited by these Bylaws, the Restated Declarations of Restrictive Covenants, or the Corporate Charter, may authorize any officer, agent or agents, to enter into any contract or execute any instrument or document in the name of and on behalf of the Association. Such authority may be general or confined to specific documents. Unless otherwise specifically determined by the Board or required by law, such contracts or instruments requiring the Corporate Seal shall be executed, signed or endorsed by the President or Vice President and the Secretary or Treasurer.

Section 2. INSPECTION OF RECORDS: Records of the following activities shall be available to any member:

- (a) Financial Records. An annual report of income and disbursements shall be furnished within 120 days of the close of the fiscal year;
- (b) Minutes of Board and committee meetings;
- (c) Roster of members;
- (d) Covenants; and
- (e) Bylaws.

Such records may be supplied by electronic media or, upon request, in writing.

Section 3. **INFORMATION:** In order to promote effective communication among Association members, the Board of Directors shall provide members at least semiannually a report of Board actions, activities and other information deemed pertinent to the membership. Such communication may be electronic or in writing.

Section 4. **CHECKS AND DRAFTS:** Each year, following the annual meeting of members, the Board of Directors shall issue a resolution identifying officers who are authorized to issue or cause to be issued and sign checks, drafts or other orders for payment of money. Such persons shall normally be the Treasurer, President and Vice President.

Section 5. **COMMUNICATION:** Except for mailings of the annual assessments, the preferred mode of communication between the Board and the Membership will be in electronic (email) form unless the member specifically requests that it be made via USPS.

ARTICLE X – AMENDMENT

These Bylaws may be amended, rescinded, or new Bylaws adopted upon a written concurrence of members casting a majority of the votes cast in accordance with Article IV Section 7 of these Bylaws.

Bylaws approved Oct. 12, 1991

Revisions approved:

Dec. 14, 1991; Dec. 4, 1994; Dec. 5, 1995; March 2007; Sept 18, 2011