

**BY-LAWS
OF
IDLEWILD PROPERTY OWNERS ASSOCIATION, INC**

**ARTICLE I
NAME AND LOCATION**

The name of the association is Idlewild Property Owners Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be located at such place as may be designated by the Board from time to time.

**ARTICLE II
DEFINITIONS**

Except as otherwise provided in the Declaration or in Chapter 47F of the North Carolina General Statutes, the following definitions shall apply:

Section 1: "Association" shall mean and refer to the Idlewild Property Owners Association, its successors and assigns.

Section 2: "Properties" shall mean and refer to that certain real property described in the Declaration for the Idlewild Development that is recorded in the Register of Deeds in Transylvania County, North Carolina and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3: "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the lot owners of Idlewild Property Owners Association, Inc.

Section 4: "Lot" shall mean and refer to any plot of land shown upon any recorded map of the Properties with the exception of the Common Area.

Section 5: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6: "Declaration" shall mean and refer to the Declaration of Residential Restrictive and Protective Covenants for Idlewild Development applicable to the Properties as the same is recorded in the Office of Register of Deeds in Transylvania County, North Carolina.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1: Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a Member of the Association. When there is more than one (1) owner of a Lot, all such persons or entities holding title shall be Members of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Unless otherwise specified, the term "Member" as used in these By-Laws means Member of the Association.

Section 2: Assignment of Votes. One vote in the Association is allocated to each Lot, excluding lots in common areas and lots held by persons or entities who are not Owners, as defined in Section 5 of Article II. The total number of votes in the Association is equal to the total number of Lots in the Idlewild Development, excluding lots in common areas and lots held by persons or entities who are not Owners, as defined in Section 5 of Article II. The vote allocated to a Lot shall not be split but shall be voted as a single whole. If the Owner of a Lot consists of more than one person or entity, said Owners shall determine between or among themselves which Owner is entitled to cast the vote allocated to that Lot and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Owner's vote shall not be counted if more than one person or entity seeks to cast it.

ARTICLE IV MEETINGS OF MEMBERS OF THE ASSOCIATION

Section 1: Annual Meeting of Members of the Association.

a. **Place of Meeting.** Each meeting of the Members of the Association shall be held at such place, within Transylvania County, North Carolina, as shall be determined by the Board of Directors of the Association.

b. **Date of Meeting.** The regular annual meeting of the Members of the Association shall be held on the second Saturday of October of each year, at an hour fixed by the President. At their discretion, a majority of the Directors may designate an alternative date for the annual meeting, provided such date is no more than 15 days prior to or after the second Saturday of October.

c. **Substitute Annual Meeting.** If the Annual Meeting of the Members of the Association is not held on the date set forth in section 1-b above, or if the meeting is held, but a quorum is not present at the meeting, then the Board shall call a substitute annual meeting within thirty (30) days of the date set for the regularly scheduled annual meeting. If the meeting was rescheduled due to a lack of quorum, then the quorum requirement for such rescheduled meeting shall be as set forth in Section 4. The notices of such rescheduled meeting shall be sent in the same manner as the notices for the original meeting.

Section 2: Special Meetings of Members of the Association. Special meetings of the Members may be called at any time by the President, or the Secretary, or a majority of the Directors, or upon written request of the Owners entitled to cast at least ten percent (10%) of the total votes of the Association. If Owners entitled to cast at least ten percent (10%) of the total votes request a special meeting, then the President or Secretary shall call such special meeting on the date requested by the requesting Owners provided that the date of such meeting would allow the Secretary or President to provide the notice required by Section 3 below.

Section 3: Notice of Meetings. Written notice of each meeting of the Members of the Association shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or by hand delivery, not less than fifteen (15) days nor more than sixty (60) days before the date of such meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. If a special meeting is called by Owners as described in section 2 above, then the notice of such meeting shall include a copy of the request submitted by such Owners to the Secretary or President requesting such special meeting. Any notice of a meeting shall specify the place, day, and hour of the meeting, and shall state the items on the agenda, including the general nature of any proposed amendments to the Declaration or By-Laws, any budget changes, and any proposal to remove an Officer or Director. In the case of an annual meeting, the notice shall also specify the names of the nominees for the Board and shall include a proposed budget for the Association for the next fiscal year. In the case of a special meeting, the notice shall specify the exact purposes of the meeting, including the text of any proposals to be voted on at such special meeting. No business shall be transacted at a special meeting except as stated in the notice. Waiver by a Member in writing of notice required herein, signed by him or her before or after such meeting, shall be equivalent to the giving of such notice.

Section 4: Quorum. At any meeting of the Members of the Association, a quorum shall consist of Owners present, in person or by proxy, entitled to cast at least thirty percent (30%) of the total votes in the Association, except as otherwise provided in these By-Laws. If a quorum is not present, the meeting shall be adjourned until such time as a quorum is present.

Section 5: Manner of Casting Votes. Votes may be cast in person or by proxy. A proxy must be submitted in writing to the Secretary or with other such party as is designated by the Board, prior to or at the meeting. A proxy must be dated and signed by all Owners of the Lot. Every proxy shall automatically cease upon conveyance by the Owner of the Lot. Owners voting in person shall vote on all matters except election of Directors by voice or by a show of hands unless ten percent (10%) of the Owners entitled to cast votes at the meeting shall, prior to voting on the matter, demand a secret written ballot on that particular matter. Voting for Directors shall be by secret written ballot.

Section 6: Required votes. All questions shall be decided by a majority of votes cast on said questions, unless the provisions of applicable law, the Covenants, or these By-Laws specify otherwise.

Section 7: Order of Business. As far as practical, the order of business at any meeting of Members of the Association shall be:

- (1) calling of the roll and certifying of proxies;
- (2) proof of notice of meeting or waiver of notice;
- (3) reading and disposal of any unapproved minutes;
- (4) election of Directors in the manner provided in Section 4 of Article V of these By-Laws;
- (5) reports of Officers;
- (6) reports of Committees;
- (7) unfinished business;
- (8) new business;
- (9) adjournment.

Section 8: Parliamentary Procedures. At all meetings, "Robert's Rules of Order, Revised" shall govern for any question of procedures not covered by the By-Laws.

Section 9: Minutes of Member Meetings. Minutes of all annual and special meetings of the Members of the Association shall be prepared by the Secretary of the Association, or such other party as may be designated by the Board, and all such minutes shall be filed with the Secretary within fourteen (14) days

following the date of the applicable meeting. The Board shall make such minutes available to any Member of the Association upon written request therefor.

Section 10: Action by Members without Meeting. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all of the Owners who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association minute book.

ARTICLE V BOARD OF DIRECTORS

Section 1: Number and Qualifications of Directors. The Board shall consist of five (5) Directors, each of whom is a natural person at least twenty-one years of age, as determined at any annual meeting of the Members of the Association. Each Director shall be a Member of the Association in good standing.

Section 2: Term. Members of the Association shall elect Directors for a term of three (3) years. Except as provided in Section 5, a Director shall hold office until his or her term expires or until his or her successor has been duly elected, whichever occurs later. The term of each newly-elected Director shall begin when the term of his or her predecessor expires or immediately after being elected and qualified, whichever occurs later. The terms of the Directors shall be staggered so that the terms of at least one (1) and not more than two (2) Directors expire each year.

Section 3: Nomination of Directors. At least sixty (60) days prior to each annual meeting, the Board shall appoint a Nominating Committee which shall be charged with nominating individuals for election to the Board. The Nominating Committee shall make such nominations within thirty (30) days following its appointment. The Nominating Committee shall consist of a Chairman, who shall be a Director, and two or more Members of the Association. The Nominating Committee shall make as many nominations for election to the Board as it shall, in its discretion determine, but not less than the number of expiring terms that are to be filled. Such nominations shall be made only from among Members of the Association. Nominations may also be made from the floor by Members at the annual meeting of the Members of the Association.

Section 4: Election of Directors. The Directors shall be elected by the Members of the Association at the annual meeting of the Members by secret written ballot. The persons receiving the most number of votes shall be elected.

Section 5: Removal. Any Director may be removed from the Board, with or without cause, by Owners holding a majority of the votes in the Association. Any Director whose removal is sought shall be given notice prior to any meeting for that purpose. Upon removal of a Director, a successor shall be elected by the Members of the Association to fill the vacancy for the remainder of the term of such Director. Any Director who is a minimum of ninety days delinquent in payment of any assessment of the Association shall be automatically removed from his/her position as a Director. Any Director missing a total of three or more regular or special meetings of the Association or of the Board in one year, not excused, shall automatically be removed from his or her position as a Director.

Section 6: Vacancies. In the event of death, disability, resignation, or removal of a Director, his/her successor shall be selected by a majority vote of the remaining Directors and shall serve for the unexpired term of his or her predecessor.

Section 7: Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1: Regular Meetings. Regular meetings of the Board shall be held at least quarterly. The dates for the regular meetings of the Board for each upcoming calendar year shall be established by the Board at its regular meeting in the fourth quarter of the year which is ending.

Section 2: Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any three Directors, after not less than five (5) business days' notice to each Director. The notice shall specify the time and place of the meeting and the specific business to be considered at the meeting. The Board may not take any actions at a special meeting that were not specifically disclosed in the notice given to each Director.

Section 3: Quorum and Manner of Acting. A majority of the total number of Directors who are on the Board at the time of the meeting shall constitute a quorum for the transaction of business. Each Director shall be entitled to one (1) vote. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board, EXCEPT, an approving vote of at least three (3) Directors shall be required to adopt, amend, or repeal a by-law without consent of the Members of the Association.

Section 4: Chairman. The President of the Association shall serve as Chairman of the Board. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board to serve until a new President is elected.

Section 5: Action Without a Meeting. Any action required or permitted at any meeting of the Board of Directors may be taken without a meeting, without a prior notice and without a vote, if all of the Directors entitled to vote thereof consent to the action in writing. Said written consents shall be filed with the minutes of the proceedings and shall have the same effect as a vote for all purposes.

Section 6: Notice, Waiver of Notice. Notice of the time and place of a regular meeting of the Board shall be communicated to Directors not less than twenty (20) days prior to the meeting. Notice of the time and place of a special meeting shall be communicated to Directors not less than five (5) business days prior to the meeting. No notice need be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall be given to each Director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; (iv) telecopier transmission (fax) to the Director's home or office or (v) electronic mail (email), provided that if a notice is sent by email, then an additional notice shall also be sent by any of the other means set forth in (i) through (iv) above within twenty-four hours following such email. All notices to the Directors shall be sent to the address, phone number, email address, or fax number, whichever is applicable, that appears in the records of the Association. Notices sent by first class mail shall be deemed communicated when postmarked. Notices given by personal delivery, telephone, or fax shall be deemed communicated when delivered or telephoned. Notices given by email shall be deemed communicated on the date the sender of the email receives electronic confirmation that the email has been delivered to the recipient's mailbox as evidenced by a print-out of such confirmation.

Section 7: Telephonic Participation in Meetings. Directors or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

Section 8: Open or Closed Meetings. Except as noted in the following sentence, meetings of the Board will be open to all Association Members who are

in good standing. When the Board is discussing personnel matters and/or contract negotiations, Board meetings will be closed if requested by the President or by at least two (2) board members.

Section 9: Minutes of Board Meetings. Minutes of all meetings of the Board shall be prepared by a Director, or such other party as may be designated by the Board, and all such minutes shall be filed with the Secretary within fourteen (14) days following the date of the applicable Board meeting. The Board shall make such minutes available to any Member of the Association upon written request therefor.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board shall have power to manage the business and affairs of the Association. Such powers and duties shall be in accordance with the provisions of applicable law, the Declaration, the Articles of Incorporation, and these By-laws and shall include, but shall not be limited to, the power to:

- (a) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation, or the Declaration;
- (b) propose, adopt, and amend budgets prior to ratification by the Association;
- (c) collect annual and special assessments to pay the Common Expenses of the Association;
- (d) employ attorneys, accountants or other professionals to represent the Association when deemed necessary;
- (e) suspend the voting rights of a Member of the Association during any period in which such Member shall be in default in the payment of an assessment levied by the Association;
- (f) appoint and remove at pleasure all Officers, agents and employees of the Association, prescribe their duties, and require of them such security or fidelity bond as it may deem expedient;
- (g) fix the compensation of all agents and employees of the Association;

- (h) adopt and amend rules and regulations for the Idlewild Development and establish reasonable penalties for infraction thereof;
- (i) hire and terminate agents and independent contractors.

Section 2: Duties. It shall be the duty of the Board to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and the acts and corporate affairs of any committee appointed by the Board and to present a statement thereof to the Members at the Annual meeting of the Members of the Association, or at any special meeting when such statement is requested in writing by Owners entitled to cast at least 25 percent (25%) of the total votes in the Association.
- (b) cause to be maintained, repaired, replaced, modified, and/or improved the roads and common areas in the Idlewild Development
- (c) supervise all Officers, agents and employees of the Association and ensure that their duties are properly performed
- (d) adopt a budget at least sixty (60) days before the Annual Meeting of the Members that includes the amount of the annual assessment against each Lot for the following fiscal year
- (e) issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable transfer fee may be made by the Board for the issuance of a certificate. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- (f) cause all Officers and employees having fiscal responsibilities to be bonded, as it may deem appropriate;

Section 3: Preparation and Ratification of Budget. For each fiscal year the Board shall prepare and adopt a budget, including therein, an amount for the annual assessment and estimates of the annual amounts necessary to pay the Common Expenses of the Association together with amounts considered necessary by the Board for reserves. This budget shall be presented at the Annual Meeting of the Members that is held prior to the year in which the budget will take effect. Ratification of the budget shall be by an affirmative vote of a

majority of Owners who are entitled to cast votes and who are present in person or by proxy at the Annual Meeting of the Members. Within thirty (30) days after ratification of each such budget, the Board shall send a written copy of the budget to each Member of the Association by first class mail. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

Section 4: Levying and Notification of Annual Assessments. The Board shall send written notice of the annual assessment against any Lot to every Owner subject thereto by first class mail postmarked at least thirty (30) days before the due date for said assessment. Such assessment shall be deemed levied upon written notice thereof given by the Board and shall be payable as determined by the Board and as set out in such notice.

Section 5: Levying and Notification of Special Assessments. In addition to the annual assessments levied pursuant to Section 4 above, the Board may levy special assessments at such other and additional times as in its judgment are required for payment of costs and expenses that exceed the sum of available reserves plus the annual assessments collected in the year in which the expenses will be incurred. Special assessments made pursuant to this section shall be a Common Expense. The Board shall send written notice of any special assessment against any Lot to every Owner subject thereto by first class mail postmarked at least sixty (60) days before the due date for said assessment. Such assessment shall be deemed levied upon written notice thereof given by the Board and shall be payable as determined by the Board and as set out in such notice.

Section 6: Foreclosure of Liens. The Board may, but shall not be obligated to, foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after due date or bring an action at law against the Owner personally obligated to pay the same.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1: Enumeration of Officers. The Officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer. At all times, the Officers shall be Directors and Members of the Association in good standing. A Director may hold no more than two (2) of such offices at the same time, except that the President shall not at the same time hold another office in the Association.

Section 2: Election and Term of Officers. The Officers of the Association shall be elected annually by a majority vote of the Directors present at the first meeting of the Board of Directors following each annual meeting of the Members of the Association. Each Officer shall hold office for one (1) year or until his or her successor is elected and qualified, whichever occurs later, unless he or she sooner resigns, or shall be removed, or otherwise disqualified to serve. Any Officer may be removed, with or without cause and without notice, by an affirmative vote of at least three (3) Directors.

Section 3: 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 or she replaces.

Section 4: Duties of the President. The President shall be the chief executive Officer of the Association; shall preside at all meetings of the Board and all meetings of the Association; shall see that orders and resolutions of the Board are carried out; shall sign written instruments as required to conduct the business of the Association; in the absence of the Treasurer shall sign checks; and shall, in general, perform all duties incident to the office of the President.

Section 5: Duties of the Vice-President. The Vice-President shall act in the place and stead of the President in the event of the absence, inability, or refusal to act of the President, and shall exercise and discharge such other duties as may be required by the Board.

Section 6: Duties of the Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members of the Association; serve notice of meetings of the Board and of the members; keep appropriate current records showing the Members of the Association together with the address, and shall perform such other duties as required by the Board.

Section 7: Duties of the 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; shall sign all checks of the Association; keep proper books of account; cause an annual accounting of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at the regular annual meeting of the Members of the Association, and deliver a copy of each to each of the Members.

**ARTICLE IX
INDEMNIFICATION OF OFFICERS AND DIRECTORS**

The Association shall indemnify any and all persons who may serve or whom have served at the time as Directors or Officers of the Association against any and all expenses, including amounts paid upon judgments, counsel fees and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any claim, action, suit or proceeding in which they, or any of them, are made parties, or a party, which may be asserted against them or any of them, by reason of being or having been Directors or Officers or a Director or an Officer of the Association, except in relation to matters as to which any such Director or Officer or former Director or Officer or person shall be adjudged in any action, suit, or proceeding guilty of willful and intentional negligence or misconduct in the performance of his or her duties to the Association.

The provisions hereof shall be in addition to and not exclusive of any and all other rights to which any Director or Officer may otherwise be entitled under any law, By-Law, agreement, vote of Association Members or otherwise. In the event of death of any Officer or Director, the provisions hereof shall extend to such person's legal heirs, representatives, successors and assigns. The foregoing rights shall be available whether or not such person or persons were in fact Officers or Directors at the time of incurring or becoming subject to such expenses, and whether or not this proceeding, claim, suit or action is based on matters which antedate the adoption of this By-Law.

The invalidity or unenforceability of any provisions of this By-Law shall not affect the validity or enforceability of any other provision hereof.

**ARTICLE X
LIABILITY INSURANCE**

The Association will maintain a Directors and Officers Liability Insurance Policy for not less than one million dollars (\$1,000,000) that provides coverage to defend Directors and Officers against allegations including, but not limited to, breach of duty, neglect, misstatements, inadequate disclosure, and misleading statements. The Association will maintain a General Liability Insurance Policy that covers all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of common elements and common areas.

ARTICLE XI COMMITTEES

The Board shall appoint a Nominating Committee, as provided in these By-Laws and an Architectural Review Committee composed of three Members of the Association. In addition, the Board may appoint such other committees as it deems appropriate in carrying out its purpose and consistent with the Declaration and these By-Laws. The Board making the appointment of a committee shall designate a chairman of said committee. Other than the Nominating Committee, which shall have the power to make nominations to the Board, no committee shall have decision making power, and each committee shall make recommendations to the Board. The Board shall make an independent decision of whether it should act on the recommendation made by a committee.

ARTICLE XII 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 of the Association. The Declaration, Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII ASSESSMENTS

Each Owner is obligated to pay to the Association annual and special assessments. Any assessment which is not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the Board will impose charges for late payment, not to exceed the greater of twenty dollars (\$20) per month or a monthly charge on the unpaid amount of the assessment equivalent to an annual rate of ten percent (10%). The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees or any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his or her Lot.

ARTICLE XIV

AMENDMENTS

Section 1: These By-Laws may be amended or repealed and new By-Laws may be adopted by the affirmative vote of at least three (3) Directors on the Board.

Section 2: In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 3: Recordation is not required for any amendment to these By-Laws notwithstanding the recordation of the original By-Laws in the office of Register of Deeds, Transylvania County, North Carolina.

ARTICLE XV FINES AND SUSPENSION OF PRIVILEGES OR SERVICES

Failure to abide by any Rules or Regulations enacted by the Board or the Association shall be grounds for an action, brought by the Association or any aggrieved Owner, to recover damages, or obtain injunctive and equitable relief, or both. Except as specified in these By-Laws, the Declaration, and the Articles, the procedure for imposition of fines or suspension of privileges or services shall comply with North Carolina General Statutes 47F-3-107.1.

ARTICLE XVI FISCAL YEAR

The fiscal year of the Association shall begin on January 1 and end on December 31 of every year.

IN TESTIMONY WHEREOF, the Officers of the Board of the Idlewild Property Owners Association have caused this instrument to be executed, this the __17__ day of April, 2008.

Jim Kolisch
President

Scott Elliott
Vice-President

Kent Wilcox
Secretary & Treasurer

IDLEWILD PROPERTY OWNERS' ASSOCIATION