

BY-LAWS OF  
PEPPERTREE MAGGIE VALLEY OWNERS ASSOCIATION. INC.  
A Non-Profit Corporation

ARTICLE I

Purpose and Offices

Section 1. IDENTITY.

Peppertree Maggie Valley Owners Association, Inc. is a non-profit corporation organized under Chapter 55A of the General Statutes of North Carolina under the Articles of incorporation which were filed in the Office of the Secretary of State on \_\_\_\_\_, 1999. Peppertree Maggie Valley Owners Association, Inc., hereinafter called "Association", has been organized for the purpose of administering the operation and management of the following condominiums:

Name of Condominium	Recording Information – Declarations of Condominium, Carteret Co. Public Registry
Peppertree Resort Villas of Maggie Valley Condominium	Book UO 2, Page 429
Peppertree Resort Villas II Condominium	Book 373, Page 546

(hereinafter collectively called "The Condominiums"), all condominiums established by Peppertree Maggie Valley Associates, a North Carolina Limited Partnership, in accordance with the laws of the State of North Carolina upon the property situate, lying and being in Haywood County, North Carolina, and being described in Exhibit C to the respective Declarations of Condominium, together with any portions of the property described in Exhibit A to the respective Declarations of Condominium which may hereafter be annexed and dedicated to The Condominiums or any of them pursuant to the Declarations of Condominium for each of The Condominiums filed in the public records of Haywood County, North Carolina, as above set forth.

Section 2. APPLICABILITY.

The provisions of these By-Laws are applicable to The Condominiums, and the terms and provisions hereof are expressly subject to the terms, provisions, conditions and authorizations contained in the Articles of Incorporation and which may be contained in the respective Declarations of Condominium for The Condominiums recorded in the Public Records of Haywood County, North Carolina, as above set forth, the terms and provisions of said Articles of Incorporation and Declarations of Condominium to be controlling wherever the

same may be in conflict herewith. These By-Laws are further subject to the delegations of power from each of the homeowner associations of The Condominiums to the Association as permitted by and subject to Chapter 47C of the North Carolina General Statutes and NCGS §47C-2-120 in particular.

Section 3. REGISTERED OFFICE.

The registered office of the Corporation shall be located at the offices of Peppertree Resorts Management, Inc., 1 Vance Gap Road, Asheville, Buncombe County, North Carolina 28805, c/o Peppertree Resorts Management, Inc..

ARTICLE II

MEMBERSHIP. VOTING. QUORUM. PROXIES

Section 1. QUALIFICATION.

The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members, shall be as set forth in Article V of the Articles of Incorporation of the Association, the provisions of which said Article V are incorporated herein by reference.

Section 2. QUORUM.

A quorum at meetings of members shall consist of persons entitled to cast five (5%) percent of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

Section 3. MULTIPLE OWNERSHIP

The vote of the owners of a condominium unit owned by more than one person, or by a corporation or other entity, and the vote of the owners of a Unit Week in a condominium unit dedicated to interval ownership where such Unit Week is owned by more than one person or by a corporation or other entity, shall be cast by the one person named in a Certificate signed by all of the owners of the condominium unit or signed by all of the owners of the Unit Week and filed with the Secretary of the Association, and such Certificate shall be valid until revoked by a subsequent Certificate. If such a Certificate is not on file, the vote of such Owners shall not be considered in determining the requirement for a quorum, nor for any other purposes. Approval or disapproval of a Unit Owner or a Unit Week Owner upon any matter, whether or not the subject of an association meeting, shall be by the same person who would cast the vote of such owner if in an association meeting.

Section 4. VOTING.

Votes may be cast in person or by proxy. Proxies shall be valid for the particular meeting designated thereon and for any subsequent meeting of the Association whether regular or special, and until revoked, and must be filed with the Secretary before the appointed time of the meeting. Proxies, once filed with the Secretary, shall be valid until revoked in writing and such revocation is filed with the Secretary. Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws, the Declaration of Condominium, or whether the same may otherwise be required by law, the affirmative vote of the persons entitled to cast a majority of the votes at any duly called members' meeting at which a quorum is present shall be binding upon the members.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. ANNUAL MEETINGS.

The annual meeting of the membership shall be held at such time and place as may be designated by the Board of Directors, in the month of November of each calendar year for the purpose of electing Directors and transacting any other business authorized to be transacted by the members. Provided, however, annual meetings shall not be held on a legal holiday.

Section 2. PLACE OF MEETINGS.

All meetings of members shall be held at such place within the State of North Carolina as shall be designated by the Board of Directors or agreed upon by a majority of the members entitled to vote.

Section 3. SPECIAL MEETINGS.

Special meetings of the members may be called at any time by the President or a Vice President, or the Board of Directors, and must be called by such officers upon receipt of a written request from members holding five (5%) percent of the votes entitled to be cast at any meeting of members.

Section 4. NOTICE OF MEETINGS.

Written or printed notice stating the time and place of the meeting shall be delivered not less than ten (10) nor more than fifty (50) days before the date thereof, either personally or by mail, by or at the direction of the President, the

Secretary, or other person calling the meeting, to each member of record entitled to vote at such meeting.

In the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless it is a matter, other than election of directors, on which the vote of members is expressly required by the provisions of Chapter 55A of the North Carolina General Statutes. In the case of a special meeting, the notice of meeting shall specifically state the purpose for which the meeting is called.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than an announcement at the meeting at which the adjournment is taken. If there is no quorum present at the opening of a meeting of members, such meeting may be adjourned from time to time by a vote of a majority of the members voting on the motion to adjourn; and, at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting. The members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

#### Section 5. ORDER OF BUSINESS.

Insofar as practical, at any annual members' meeting and at any other member's meeting, the order of business shall be as follows:

1. Calling of the role and certifying proxies
2. Proof of notice of meeting or waiver of notice
3. Reading and disposal of any unapproved minutes
4. Report of Manager
5. Unfinished business
6. New business
7. Appointment of Inspectors of Election by Chairman
8. Election of Directors
9. Adjournment.

### ARTICLE IV

#### BOARD OF DIRECTORS

#### Section 1. GENERAL POWERS.

The business and affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors shall have the authority to make rules and regulations governing the conduct of members in the condominium and governing the use of common facilities in the Condominium.

Section 2. NUMBER, TERM AND QUALIFICATIONS.

The initial Board of Directors shall consist of five (5) persons and each succeeding Board of Directors shall consist of five (5) persons. Directors shall serve for a term of three years, but shall remain in office until their successors are elected and qualified. Each Director must be an owner at Peppertree Peppertree Resort Villas of Maggie Valley Condominium or Peppertree Resort Villas II Condominium.

Section 3. ELECTION OF DIRECTORS.

Directors for those terms which have expired shall be elected at the annual meeting of shareholders; and those persons who receive the highest number of votes shall be deemed to have been elected.

Section 4. VACANCIES.

A vacancy occurring on the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. REGULAR MEETINGS.

A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members. In addition, the Board of Directors may provide, by resolution, in the time and place for the holding of additional regular meetings.

Section 2. SPECIAL MEETINGS.

Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors.

Section 3. NOTICE OF MEETINGS.

Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors shall, at

least three (3) days prior to the meeting, give notice thereof by any usual means of communication. Such Notice need not specify the purpose for which the meeting is called. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

#### Section 4. QUORUM.

A majority of the Directors fixed by these By-Laws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If any Directors' meeting cannot be conducted because a quorum has not attended, the Directors who are present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business that might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

#### Section 5. DIRECTORS' FEES.

Directors' fees, if any, shall be determined by the Board of Directors of the Corporation.

### ARTICLE VI

#### OFFICERS

#### Section 1. NUMBER.

The officers of the Corporation shall consist of a President (who must be a Director), a Secretary, a Treasurer, and such other Vice-Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Directors may from time to time elect. Any two or more offices may be held by the same person, except the offices of President and Secretary.

#### Section 2. ELECTION AND TERM.

The officers of the Corporation shall be elected annually by the Board of Directors. Such elections may be held at any regular or special meeting of the Board. Each officer shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 3. REMOVAL.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board with or without cause.

Section 4. COMPENSATION.

The compensation of all officers of the Corporation, if any, shall be fixed by the Board of Directors.

Section 5. PRESIDENT.

The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the Corporation in accordance with these By-Laws.

He shall, when present, preside at all meetings of members. He shall sign, with any other proper officer, any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent; and, in general, he shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. VICE-PRESIDENT.

The Vice-Presidents in the order of their election, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

Section 7. SECRETARY.

The Secretary shall keep accurate records of the acts and proceedings of all meetings of members and directors. He shall give all notices required by law and by these By-Laws. He shall have general charge of the membership records of the Corporation and shall keep, at the registered or principal office of the Corporation, a record of members, showing the name and address of each member and the number of votes held by each. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the President or by the Board of Directors.

Section 8. TREASURER.

The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. He shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose; and he shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of its operations, all in reasonable detail, to be made and filed at the registered or principal office of the corporation within four (4) months after the end of each fiscal year. The statement so filed shall be kept available for inspection by any member for a period often (10) years; and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to any member upon his written request therefor. The Treasurer shall, in general, perform all duties incident to his office and such other duties as maybe assigned to him from time to time by the President or by the Board of Directors. The record-keeping functions of the Treasurer may be fulfilled by a management company pursuant to a management agreement between the Association and a management company.

Section 9. ASSISTANT SECRETARIES AND TREASURERS.

The Assistant Secretaries and Assistant Treasurers shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or by the Board of Directors.

Section 10. BONDS.

The Board of Directors may by resolution require any or all officers, agents and employees of the Corporation to give bond to the Corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.

Section 11. EMPLOYMENT OF DIRECTORS OR OFFICERS.

Nothing herein contained shall preclude the Board of Directors from employing a Director or Officer as an employee of the Association.

ARTICLE VII

CONTRACTS. LOANS AND DEPOSITS

Section 1. CONTRACTS.

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. LOANS.

No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. CHECKS AND DRAFTS.

All checks, drafts or other orders for the payment of money issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. DEPOSITS.

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such depositories as the Board of Directors or management company shall direct.

ARTICLE VIII

GENERAL PROVISION

Section 1. AMENDMENTS.

Amendments to these By-Laws shall be proposed and adopted in the following manner:

- (a) Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by members of the Association holding ten (10%) percent of the votes in the Association, whether meeting as members or by instrument in writing signed by them.
- (b) Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other Officer of the Association in the absence of the

President, who shall thereupon call a Special Meeting of the members of the Association for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such Officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members is required as herein set forth.

(c) In order for the amendment or amendments to become effective, the same must be approved by the affirmative vote of a majority of the total vote of the members of the Association present or represented by proxy at the meeting wherein the proposed amendment(s) was considered. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the public records of Haywood County, North Carolina, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the Directors and members. No amendment shall become operative until it shall have been duly recorded.

(d) Notwithstanding the provisions of paragraphs (a), (b) or (c) above, these By-Laws may be amended by majority vote of the Board of Directors where the purpose of such amendment is to make technical changes or corrections where such technical changes or corrections do not affect the substantive rights or diminish the voting rights of any member of the Association.

(e) Upon the approval and proper recording of any amendment or amendments, the same shall become binding upon all Unit Owners and all Unit Interval Owners.

Section 2. WITHDRAWAL. Notwithstanding any other provision of the Articles of Incorporation or these Bylaws, any of the Condominiums participating in this Association may withdraw from this Association upon the giving of a one (1) year notice of intent to withdraw, which notice must first have been approved by a two-thirds (2/3) vote of the members of the homeowner association of such Condominium present at a meeting of such association where at least twenty-five (25%) of the members were present in person or by proxy.

Section 3. SEAL.

The corporate seal of the Corporation shall consist of two concentric circles between which is the name of the Corporation and the name of the State of incorporation and in the center of which is inscribed CORPORATE SEAL; and

such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Corporation.

Section 4. RULES OF CONDUCT.

The Board of Directors shall establish such Rules of Conduct as it shall, from time to time, deem advisable for the conduct of members and guests of members and for the general operation of the condominium. Copies of such Rules and Regulations shall be available to members in the Office of the Association and a copy shall remain posted at all times in the Office of the Association.

Section 5. COMPLIANCE.

These By-Laws are set forth to comply with the requirements of Chapter 47C of the General Statutes of the State of North Carolina. In the event that any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

The foregoing were adopted as the By-Laws of Peppertree Maggie Valley Owners Association, Inc., a non-profit corporation under the laws of the State of North Carolina, at the first meeting of the Board of Directors on \_\_\_\_\_, 1999.

\_\_\_\_\_  
Secretary

APPROVED:

\_\_\_\_\_  
President