



**Proposal To Change
Kenmure Property Owners Association (KPOA)
Amended Articles of Incorporation**



What Are the KPOA Articles of Incorporation (AOI)?

The KPOA AOI was filed with the NC Secretary of State in 2002.

The AOI establishes the Kenmure Property Owners Association as a legal entity under the North Carolina Nonprofit Corporation Act (NC Statutes 55A-1-01, et. seq.). Among other things, the AOI lists 8 “purposes” of the corporation.

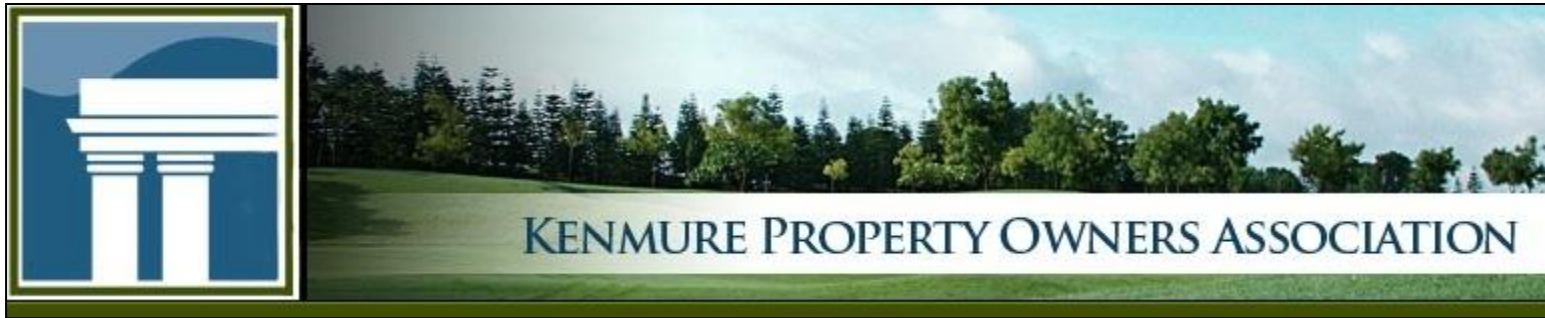
Most of the AOI’s 8 “purposes” mirror powers outlined under the Nonprofit Corporation and Planned Community Act. (Additional powers also are listed in the NC Planned Community Act and the NC Nonprofit Corporation Act.)



Current KPOA Articles of Incorporation (1 of the 8 “purposes”)

To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, manage, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association. However, it shall not be a purpose of the corporation, and the corporation is not authorized, to acquire or manage the Kenmure Country Club.

The entirety of the **Articles of Incorporation** can be found on the KPOA website on the KPOA General Information page.



Proposed Change

To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, manage, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association. **However, it shall not be a purpose of the corporation, and the corporation is not authorized, to acquire or manage the Kenmure Country Club.**

Removes the prohibition of KPOA to acquire or manage Kenmure Country Club.



Background

- KPOA was formed 2002
- Objective: To transfer the management of the community from the Developer.
- Small group of about 12 property owners formed an opposition committee called Concerned Citizens.
- This committee feared the real intent was to buy Kenmure Country Club. Language was added to the Amended Articles to demonstrate there was no intent to buy Kenmure Country Club.
- KPOA formation was approved by property owners.



Current Situation ... unintended consequence 20 years later

- Current Articles prohibit KPOA from *effective discussion* regarding possible acquisition or management of the Club with Kenmure Club owner.
- Recent sale of Kenmure Enterprises Inc. did not involve KPOA.
- In any future sale of Kenmure Club, it may be in the interest of the community broadly to consider property owner participation.
- In 2021, RDP conducted case studies of the impact of a country club/golf course on property values. RDP found that a vibrant club has a positive impact on property values.
- More than 50% of the KPOA focus groups held in September 2022 favored some form of local control over the Club and its amenities. It is important to have all options on the table.

The time to remove restrictions is now when there are no time constraints.



Now is the time to have this vote, because:

- Kenmure Enterprises, Inc. & the Kenmure Country Club has a new owner (Mr. Steven Schorr)
- While KPOA is optimistic that the Kenmure Country Club will continue to fit with the new owner's investment portfolio, he may want to divest the Club in the future.
- There are no known plans to divest the Club.
- Removing the prohibition in the Articles of Incorporation gives a future KPOA Board the *ability to participate* in discussions with the owner or with any other party interested in acquiring the Club.



Question: Will amending the Articles of Incorporation (by itself) permit KPOA to acquire or manage the Kenmure Country Club?

Answer: No. Acquisition or management of the Club would still require a 67% affirmative vote of all property owners to amend the Kenmure Declaration to establish the structure of any acquisition, its funding, and, of course, future operation.

Bottomline: Amending the KPOA Articles of Incorporation will give a future Board (in consultation with property owners) the flexibility to enter into effective discussions in order to preserve and protect Kenmure property values.



Timeline

Information Meetings to Discuss this Proposal

- Monday, July 17 at 1 PM and 4 PM at the Flat Rock Village Hall
- Monday, July 31 at 2 PM and 6 PM at the Flat Rock Village Hall
- Tuesday, August 8 at 1 PM and 4 PM at the KCC Charleston Room

Voting

- By written or electronic ballot between Aug 12 – 25.

Results

- Disseminated by KPOA email on September 1.



Vote Required to Amend the Articles of Incorporation

Written Ballot (*one vote per property*)

- 67% of the votes cast
 - For example, if 400 votes are cast,
 - then passage requires $400 \times 67\% = 268$ “yes” votes

OR (whichever is less)

- 51% of all eligible votes
 - For example, if 829 properties are eligible to vote,
 - then passage requires $829 \times 51\% = 423$ “yes” votes

North Carolina Nonprofit Corporation Act, Chapter 55A, Article 10



Questions?

**Think of a question later...
email or call John Gerni**

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