

BY-LAWS OF  
RIVERBEND PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE ONE

OFFICES

The principal office of the corporation shall be located at 110 Bills Creek Road, Lake Lure, Rutherford County, North Carolina. The corporation may have such other offices, either within or without the State of North Carolina, as the Board of Directors may determine from time to time.

ARTICLE TWO

MEMBERS

Section 1. Qualification. Every person or entity who is a record owner of a fee or undivided fee interest or is the holder of an Agreement for Deed from the developer in any lot which is subject to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of any obligation or the payment of money shall not be a member. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

The developer of Riverbend may assign its membership in the Association to any person, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership may make successive like assignments. Membership in the Association shall not otherwise be transferable or assignable.

Section 2. Voting Rights. Each member in good standing (dues and fees paid in full, if owed) shall be entitled to one vote for each lot he holds by deed or Agreement for deed on each matter submitted to a vote of the members.

Section 3. Termination of Membership. Membership shall run with the land and membership shall terminate when the member no longer holds a record deed or Agreement for deed.

ARTICLE THREE

MEETINGS OF MEMBERS

Section 1. Annual Meeting. An annual meeting of the members shall be held at such a place and time and manner as designated by a majority of the Directors and notice to members shall be as specified in the by-laws under Article three, section three. The annual meeting is for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday in the State of North Carolina, such meeting shall be held on the next succeeding business day. If the election of directors is not held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as is convenient.

Section 2. Special Meetings. Special meetings of the members may be called by the President, the Board of Directors, or not less than one-fourth (1/4) of the members having voting rights, at a place designated by the Board of Directors. If no designation is made, the place of meeting shall be the principal office of the corporation in the State of North Carolina, but if all of the members shall meet at any time and place, either within or without the State of North Carolina, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 3. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of members shall be delivered either personally or by mail, to each member entitled to vote at such meeting, not less than ten (10) nor more than thirty (30) days before the date of such meeting, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by these bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

Section 4. Informal Action by Members. Any action required by law to be taken at a meeting of the members, or any action that may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all members entitled to vote with respect to the subject matter thereof.

Section 5. Quorum. Members holding thirty percent (30%) of the votes that may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 6. Proxies. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after twelve (12) months from the date of its execution, unless otherwise provided in the proxy.

Section 7. Voting by Mail or Electronic voting. Where directors or officers are to be elected and for the transaction of such other business as may come before an annual meeting, regular meeting or special meeting, such meeting may be conducted by mail, e-mail or other electronic or manual means in such matter as the Board of Directors shall determine.

## ARTICLE FOUR

### BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the corporation shall be managed by its Board of Directors. Directors need not be residents of the State of North Carolina, and need not be members of the corporation.

Section 2. Number, Tenure, and Qualifications. The number of directors shall be designated from time to time by the Board of Directors, but no less than four directors shall be elected. Directors shall be elected at the annual meeting of members, and the term of office of each director shall be until the next annual meeting of members and the election and qualification of his successor.

Section 3. Regular Meetings. A regular meeting of the Board of directors shall be held without any other notice than this bylaw immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution. Additional regular meetings shall be held at the principal office of the corporation in the absence of any designation in the resolution.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any two directors, and shall be held at the principal office of the corporation or at such other place as the directors may determine.

Section 5. Notice. Notice of any special meeting of the Board of Directors shall be given at least two days previously thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any 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 is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board but if less than a majority of the directors are present at any meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Board Decisions. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these bylaws.

Section 8. Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors, shall be filled by the Board of Directors. A director appointed to fill a vacancy shall serve for the un-expired term of his predecessor in office.

Section 9. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at any regular or special meeting of the board. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

## ARTICLE FIVE

### OFFICERS

Section 1. Officers. The officers of the corporation shall be a president, one or more vice-presidents (the number thereof to be determined by the Board of Directors), a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of this article. The Board of Directors may elect or appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at such meeting, officers shall hold their position until such election shall be held. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor has been duly elected and qualifies.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the un-expired portion of the term.

Section 5. Powers and Duties. The several officers shall have such powers and shall perform such duties as may from time to time be specified in resolutions or other directives of the Board of Directors. In the absence of such specifications, each officer shall have the powers and authority and shall perform and discharge the duties of officers of the same title serving in nonprofit corporations having the same or similar general purposes and objective as this corporation.

## ARTICLE SIX

### CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or may be confined to specific instances.

Section 2. Checks, Drafts, or Orders. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness 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. Currently account(s) may be managed

by the President, Vice-President or Treasurer of the Association without the need for joint or counter signature by other officers. In the absence of such determination by the Board of Directors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice-president of the corporation.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositaries as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for any purpose of the corporation.

## ARTICLE SEVEN

### FISCAL YEAR

The fiscal year of the corporation shall be designated by the Board of Directors.

## ARTICLE EIGHT

### DUES

Section 1. Annual Dues. The Board of Directors shall determine from time to time the annual dues payable to the corporation by members of each class, and shall give appropriate notice to the members, and any special assessments needed.

Section 2. Payment of Dues. Dues shall be payable in advance on the first day of the fiscal year. Dues of a new member shall be prorated from the first day of the month in which such new member is elected to membership.

## ARTICLE NINE

### SEAL

The Board of Directors shall provide a corporate seal.

## ARTICLE TEN

### WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of these by-laws or under the provisions of the Articles of Incorporation, or the bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## ARTICLE ELEVEN

### INDEMNIFICATION

The Riverbend Property Owners Association hereby agrees to indemnify, defend and hold harmless the Officers and Directors against any and all liability, claims, suits, losses, costs and legal fees caused by, arising out of, or resulting from the performance of their duties as Officers and Directors, including any negligent act or omission of the Officers and Directors in the performance of their duties and/or failure to perform their duties including any willful misconduct, and including negligent acts or omission of any Subagent or any direct or indirect agent hired in the performance of their duties as Officers and Directors of the Riverbend Property Owners Association.

## ARTICLE TWELVE

### AMENDMENT OF BYLAWS

These bylaws may be altered, amended, or repealed, and new bylaws may be adopted by a majority of the directors present at any regular meeting or at any special meeting, if at least five days written notice is given of intention to alter, amend, or repeal or to adopt new bylaws at such meeting or vote of the members at any regular or special meeting.