

**BYLAWS OF SADDLE RIDGE PROPERTY OWNERS' ASSOCIATION
A NORTH CAROLINA NON-PROFIT CORPORATION**

**ARTICLE I
Identity**

These are the Bylaws of the Saddle Ridge Property Owners' Association, Inc., a North Carolina non-profit corporation, (the "Association").

For purposes of these Bylaws, terms specifically defined either in the Declaration of Terms, Conditions, Restrictions, and Protective Covenants for Saddle Ridge Estates and amendments thereto (the "Declaration" or "Restrictions") or the North Carolina Nonprofit Corporation Act, Chapter 55A of the North Carolina General Statutes (the "Non-Profit Act"), shall have the same meaning herein. Unless the Declaration or Bylaws expressly provide otherwise, the procedures and substantive matters governing the Association can be determined by reference to the Act.

**ARTICLE II
Definitions**

- 2.1. "Saddle Ridge" shall mean that real estate located within the Subdivision as set forth in the Declaration, whether originally or as amended.
- 2.2. "Common Element" and/or "Common Community Areas" shall mean those areas used in common by all the Owners of Lots within the Subdivision, including the private roads providing access to public rights of way and/or such areas that may be denoted as "Common Element" or "Common Community Areas" on plats of record for the Subdivision.
- 2.3. "Declarant" shall mean Viewpoint of NC, LLC, its successors or assigns.
- 2.4. "Declarant Control Period" shall mean the time in which Declarant has to exercise certain exclusive rights such as, but not limited to, electing the Board of Directors of the Association and/or retaining approval authority for amendments to the Bylaws. The Declarant Control Period shall be as set forth in the Declaration.
- 2.5. "Lot" shall mean and refer to any a physical portion of the planned community individually numbered and designated on the Plat for separate ownership or occupancy by a lot owner.
- 2.6. "Owner" shall mean and refer to the owner or owners of fee simple title to any Lot situated within the Subdivision. For purposes of voting or representation on any Committees or Boards, the marital spouse of the Owner may be treated as being an Owner.

**ARTICLE III
Qualifications and Responsibilities**

3.1. Membership. Every Lot Owner shall be a member of the Association, and shall remain a member until he ceases to be a Lot Owner.

3.2. More Than One Owner. When there is more than one Owner of a Lot, all such persons shall be members of the Association. A maximum of two (2) members may attend meetings of the Association.

3.3. Registration. It shall be the duty of each Lot Owner to register his name and his mailing address with the Secretary of the Association. If a Lot Owner does not so register, the Association shall be under no obligation to recognize his privileges of being a member.

3.4. Prohibition of Assignment. The interest of a member in the Association assets cannot be transferred or encumbered except as an appurtenance to his Lot.

ARTICLE IV Member Meetings and Voting

4.1. Place. Meetings of the members shall be held at such place within the Subdivision or within Buncombe County, North Carolina, as may be designated from time to time by the Board of Directors of the Association (the "Board").

4.2. Annual Meetings. The members shall meet at least once each year in July, the day being specified in the notice of such meeting given pursuant to these Bylaws. At each annual meeting, the members may transact any business properly coming before them.

4.3. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board, and shall be called and held within sixty (60) days after written request thereof signed by members of the Association entitled to cast at least ten percent (20%) of the total votes in the Association is delivered to any officer or Director of the Association by certified or registered mail. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

4.4. Notice. Notice of all meetings of the members, stating the time and place, and accompanied by a complete agenda thereof, shall be given by the President or Secretary to each member. Such notice shall be in writing, and shall be hand delivered or sent by United States mail to the members at the addresses of their respective Lots and to other addresses as any member may have designated to the President or Secretary as it appears on the records of the Association. Notice shall be deemed delivered when deposited in the United States mail addressed to the member at his address for the respective Lot and/or as it appears on the records of the Association. The Association may vote or transact business on any matter at an annual meeting whether or not specific notice of said item had been given in the notice of the annual meeting. However, for special meetings, only items that were included in the meeting's notice can be voted on.

- 4.5. Quorum. A quorum shall consist of members present, in person or by proxy, entitled to cast at least fifty-one percent (51%) of the total votes in the Association. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present.
- 4.6. Voting. Each Lot Owner is entitled to one (1) vote. When there is more than one Owner of a Lot, said Owners shall designate the person authorized to vote for said Lot.
- 4.7. Manner of Casting Votes. Votes may be cast in person or by proxy. A proxy must be in writing, be signed by all owners of the Lot, be given to another member, and be filed with the Secretary on or before the meeting. A proxy shall be valid for eleven (11) months from the date it was executed. A proxy should denote the vote desired on a specific issue and/or be a general authorization to the proxy holder to vote according to his or her discretion.
- 4.8. Required Votes. All questions shall be decided by a majority of the votes cast on the question, unless the provisions of applicable law, the Restrictions, or these Bylaws require a greater vote.
- 4.9. Action by Members Without Meeting. Any action that may be taken at a meeting of the members, may be taken without a meeting if such action is authorized in writing setting forth the action taken and is signed by all members, or if such action is taken in any other manner permitted by law.
- 4.10. Prohibition of Cumulative Voting. There shall be no cumulative voting.

ARTICLE V Directors

- 5.1. First Board. The first Board shall consist of three (3) persons, appointed by Declarant.
- 5.2. Number and Qualifications of Directors. The Board shall consist of three (3) natural persons, as determined in the sole discretion of Declarant during the Declarant Control Period and thereafter by a vote of the members. During the Declarant Control Period, a Director need not be a member of the Association or be a resident of North Carolina. A Board member may be the Declarant or a representative of Declarant. After the Declarant Control Period expires, a Director must be a Lot Owner or the individual nominee of a Lot Owner if the owner is not an individual.
- 5.3. Election of Directors. During the Declarant Control Period, Declarant reserves the right to elect the Board. Election of Directors by the members shall occur at the first annual meeting of the members after the end of the Declarant Control Period, and at each subsequent annual meeting after the term of the Directors have expired. The members shall elect the Directors by a vote of the membership.
- 5.4. Term. The term of the Directors during the Declarant Control Period shall be in the sole discretion of Declarant. After the Declarant Control Period has expired, the term of the Directors

shall be for two (2) years. Once elected, a Director shall hold office until his successor has been duly elected and has qualified.

5.5. Removal. During the Declarant Control Period, the Declarant retains the sole authority to remove any Director, with or without cause. After the Declarant Control Period has expired, any Director may be removed, with or without cause, by a vote of the members entitled to cast at least sixty-six and two-thirds percent (66 2/3%) of the total votes in the Association, at a special meeting called for such purpose. During the Declarant Control Period, the Declarant shall appoint a successor to serve for the balance of the removed Director's term (which term is within the sole discretion of Declarant during the Declarant Control Period). Thereafter, the members shall vote to appoint a successor to serve the balance of the removed Director's term.

5.6. Vacancies. Any vacancy in the Board arising by death or resignation of a Director shall be filled by the president, and a Director so elected shall serve for the unexpired term of his predecessor in office.

5.7. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined by a majority of the Directors, but at least three (3) times a fiscal year (as that term is defined herein). Notice of regular meetings shall be given to each Director, personally or by mail, telephone, facsimile or email, at least thirty (30) days prior to the meeting.

5.8. Special Meetings. Special meetings of the Board may be called by the President and shall be called by the President or the Secretary and held within ten (10) days after written request signed by two (2) Directors is delivered to any other Director or the President or the Secretary. Not less than seventy-two (72) hours' notice of such special meeting shall be given personally or by mail, telephone, facsimile or email to each Director; provided that in case the President or any Director determines that an emergency exists, a special meeting may be called by giving such notice as is possible under the circumstances. All notices of a special meeting shall state the time, place, and purpose thereof. No business shall be transacted at a special meeting except that which is stated in the notice thereof. A special meeting can be attended in person or by telephone.

5.9. Quorum and Adjournment if No Quorum. Fifty percent (50.0%) of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present. The signing by a Director of the minutes of a meeting shall constitute the presence of such Director at that meeting for the purpose of determining a quorum.

5.10. Manner of Acting. Each Director shall be entitled to one (1) vote. The act of a majority of the Directors present at a meeting shall constitute the act of the Board unless the act of a greater number is required by the provisions of applicable law, the Declaration, or these Bylaws.

5.11. Meeting Forums, Board Action Without Meeting. Although regular or special meetings may occur at such places as specified in the notice, regular or special meetings by means of a conference telephone or similar communication device are permissible as long as the required notice is given. Any action that may be taken at a meeting of the Board may be taken without a

meeting if such action is authorized in writing, setting forth the action taken, signed by all Directors.

5.12. Compensation of Directors Restricted. Directors shall receive no compensation for their services but may be paid for out-of-pocket expenses incurred in the performance of their duties as Directors.

5.13. Powers and Duties of Board. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the common law, applicable statutes, the Act, the Declaration (as delegated by the Declarant), the Articles, and these Bylaws, as any thereof may from time to time be amended. Such powers and duties shall be exercised in accordance with the provisions of applicable law, the Act, the Restrictions, the Articles, and these Bylaws, and shall include, but not be limited to, the following:

- (a) To prepare and provide to members annually by July 15th, a budget report for the fiscal year commencing August 1st and concluding July 31st of the following calendar year (the "Fiscal Year"), said report containing at least the following:
 - (i) A statement of the status and amount of any reserve or replacement funds and any portion of the funds designated for any specified project by the Board.
 - (ii) A statement of the financial condition of the Association for the last Fiscal Year.
 - (iii) A statement of the status of any pending suits or judgments in which the Association is a party.
 - (iv) A statement of insurance coverage for the Association.
 - (v) A statement of any unpaid assessments payable to the Association, identifying the Lot and the amount of the unpaid assessment. All Lot Owners do hereby acknowledge that this reporting of unpaid assessments shall not constitute a violation of any federal or state unfair debt collection laws.
- (b) To adopt and amend budgets and to determine and collect assessments to pay the Association's common expenses, including operating expenses, Common Expenses, and capital improvement costs. The Board may engage an accountant to do the Association bookkeeping, to file annual returns and to assist in preparing the report described above.
- (c) To regulate the use of and to maintain, repair, replace, modify, and improve the Common Elements.
- (d) To adopt and amend rules and regulations and to establish reasonable penalties for infractions thereof.
- (e) To enforce the provisions of the Declaration, the Articles, these Bylaws, the Act, and rules and regulations by all legal means, including by injunction and a lawsuit for recovery of monetary penalties.
- (f) To hire and terminate agents and independent contractors.

- (g) To institute, defend, or intervene in litigation or administrative proceedings on matters affecting the planned community.
- (h) To establish and dissolve and liquidate, from time to time, reserve accounts for any purpose.
- (i) To borrow money for the maintenance, repair, replacement, modification, or improvement of the Common Elements and to pledge and pay assessments, and any and all other revenue and income, for such purpose.
- (j) To buy Lots in foreclosure of an assessment lien, or at any other time or for any other reason, and to sell, lease, mortgage, and otherwise deal in Lots from time to time owned by the Association.
- (k) To impose and receive payments, fees, and charges for the use, rental or operation of the Common Elements for all purposes permitted a nonprofit corporation.
- (l) To grant leases, licenses, concessions and easements through and over the Community Property, unless contrary to the Restrictions.
- (m) To impose and collect reasonable charges, including reasonable costs and attorneys' fees, for the enforcement of any use restrictions or rules and regulations set forth in the Declaration or these Bylaws.
- (n) To provide for indemnification of the Association's Officers and Directors and maintain Officers and Directors liability insurance.
- (o) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Restrictions, these Bylaws, or the rules and regulations.

ARTICLE VI

Officers

6.1. Designation of Officers. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer. During the Declarant Control Period, officers do not have to be members or residents of North Carolina. Officers may include the Declarant or a representative of Declarant. After the Declarant Control Period, each officer shall be a Lot Owner or the individual nominee of a Lot Owner if the Owner is not an individual. A person may hold one or more of such offices at one time, except that the President shall not at the same time hold another office in the Association. The Board may elect an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary.

6.2. Election of Officers. Officers of the Association shall be elected by the Board. Elections shall be held after the annual meeting of the members. The first Board shall elect officers as soon as practicable after filing of the Articles.

6.3 Term. Each officer shall serve until his successor has been duly elected and has qualified.

6.4 Removal. Any officer may be removed, with or without cause, and without notice, by the Board.

6.5 Vacancy. Any vacancy in any office shall be filled by the Board, and an officer elected to fill a vacancy shall serve for the unexpired term of his predecessor in office.

6.6 Powers and Duties of Officers.

(a) President. The President shall be the chief executive officer of the Association and shall see that all actions and resolutions of the Board are carried into effect.

(b) Vice President. The Vice-President shall perform such duties of the President as shall be assigned to him by the President, and in the absence of the President shall perform the duties and functions of the President.

(c) Secretary. The Secretary shall keep the minutes of all meetings and actions of the Board and of the members; shall give all required notices to the Directors and members; shall keep the records of the Association, except those kept by the Treasurer, shall perform all other duties incident to the office of a secretary of a corporation; and shall perform such other duties required by the Board or the President.

(d) Treasurer. The Treasurer shall have custody of all intangible property of the Association, including funds, securities, and evidences of indebtedness; shall keep the books of the Association in accordance with good accounting practices and principles, and upon request, shall submit them, together with all vouchers, receipts, records, and other papers to the Board for examination and approval; shall deposit all monies and other valuable effects in depositories designated by the Board; shall disburse funds of the Association as directed by the Board; and shall perform all other duties incident to the office of a treasurer of a corporation.

6.7 Execution of Agreements. All agreements, deeds, mortgages, or other instruments (including amendments to the Declaration) shall be executed by the President or Vice President with an attest by the Secretary (or Assistant Secretary if appointed), or by such other person or persons as may be designated by the Board.

6.8 Compensation of Officers Restricted. No officer shall be compensated for his services in such capacity, but may be reimbursed for out-of-pocket expenses incurred in performing his duties.

ARTICLE VII Indemnification of Directors and Officers

The Association shall indemnify such persons, for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as permitted by the North Carolina General

Statutes, as now enacted or hereafter amended. In addition, the Association is authorized to maintain Officers and Directors Liability Insurance.

ARTICLE VIII
Fiscal Management

8.1. Depository. The Board shall designate a depository for the funds of the Association, and may change such depository at any time. Withdrawal of funds from such depository shall be only by checks signed by any two (2) officers of the Association, or as authorized by the Board.

8.2. Fiscal Year. The Fiscal Year of the Association shall run from the 1st of August through July 31st of the following calendar year provided that the Board, from time to time, by resolution, may change the Fiscal Year to some other designated period.

ARTICLE IX
Amendment

During the Declarant Control Period, the power to alter, amend, or repeal the Bylaws or adopt new Bylaws shall be vested in the Board with Declarant approval being necessary for any particular change. After the Declarant Control Period has expired, the amendment of Bylaws or adoption of new Bylaws can only occur at a regular meeting of the members and shall require an affirmative vote of fifty percent (50%) of the members.

IN WITNESS WHEREOF, Declarant, has caused this instrument to be signed in its company name by its duly authorized agent, as of the _____ day and of _____, 2016.

DECLARANT, VIEWPOINT of NC, LLC:

BY:

Doug Thompson,
VIEWPOINT of NC, LLC
a North Carolina limited liability company