

**BY-LAWS OF
INDIAN RIDGE PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME**

The name of the corporation is Indian Ridge Property Owners Association, Inc., hereafter called the "Association".

**ARTICLE II
PRINCIPAL OFFICE**

The Association's principal office is located in the Indian Ridge Subdivision, Crab Creek Township, in the County of Henderson, State of North Carolina.

**ARTICLE III
PURPOSE AND POWERS OF THE ASSOCIATION**

This association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed is to carry out projects and other activities designed to enhance the safety, beauty and pleasures of living in the Indian Ridge Subdivision. This includes, but is not limited to: maintaining the roads, maintenance of the entrance way, and encouragement of all owners in the care and maintenance of their respective property, in compliance with the Restrictive Covenants and Conditions for the Indian Ridge which are a matter of public record in the Henderson County Registry, in Book 566, at Page 164.

**ARTICLE IV
MEMBERSHIP**

The owner or joint owners of a lot in the Indian Ridge Subdivision, whether an individual, partnership, corporation, or otherwise, shall automatically be members of the Association. But no matter how any lot is owned, there shall be only one vote per lot in the Association.

**ARTICLE V
VOTING RIGHTS**

The Association shall have one class of voting member: CLASS A. Class A members shall be owners, and shall be entitled to one vote. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. The members of the Association, in meeting assembled, shall elect the members of the Board of Directors; shall give general lines of direction to the Board by receiving and acting on reports received from the Board; and shall have the sole power to amend the By-Laws of the Association.

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ARTICLE VI MEETINGS

6.1 Annual Meetings. The annual meeting of members shall be held within the month of August of each year for the purpose of electing directors, approving the annual budget, and for the transaction of other business as may come before the meeting.

6.2 Special Meetings. Special meetings of the members for any purpose or purposes may be called by the President of the Board of Directors or by the written request of one-half of the members entitled to vote at the meeting. Such meeting shall be held in the place designated in the notice of such meeting. Only business mentioned in the call of a special meeting may be transacted.

6.3 Notice of Meetings. Written notice stating the date, place and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than twenty-one (21) days before the date of the meeting either personally or by mail by or at the direction of the President or Secretary or other officer of persons calling the meeting to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the members at their addresses with postage thereon prepaid. Attendance at meetings is strongly encouraged.

6.4 Quorum. A quorum shall consist of at least twenty-five percent (25%) of the membership in good standing at the time of the meeting. The presence of approved written proxies shall be considered present in determining if a quorum exists.

6.5 Proxies. When member's presence at meetings may be precluded due to unavoidable circumstances, e.g. illness or travel distance, written proxies may be submitted to the Secretary of the Association. The Secretary's discretion shall prevail for acceptance of such proxies.

6.6 Procedure of Meeting. Robert's Rules of Order, latest edition, shall be the governing parliamentary law of the Association except as otherwise provided in the By-Laws.

ARTICLE VII BOARD OF DIRECTORS

7.1 Description of the Board. There shall be a Board of Directors consisting of a minimum of three members of the Association. The terms of the Directors shall be for two (2) years, except that they shall be elected in such a way that the terms of no less than one Director expire in any one year. Directors will be elected at the annual meeting each year from candidates nominated by a nominating committee appointed by the President and/or by nominations from the floor. The number of Directors may be changed by amendment of the By-Laws of the Association.

7.2 Director Liability. No Director of the Corporation shall have personal liability arising out of an action whether by or in the right of the Corporation or otherwise for monetary damages for breach of his or her duty as a Director; provided, however, that the foregoing shall not limit or eliminate the personal liability of a Director with respect to (i) acts or omissions not made in good faith that such Director at the time of such breach knew or believed were in conflict with the best interests of the Corporation, (ii) any liability under Chapter 55 of the North Carolina General Statutes or any successor provision, (iii) any transaction from which such Director derived an improper personal benefit, or (iv) acts or omissions occurring prior to the date of the effectiveness of this Article. As used in this Article, the term "improper personal benefit" does not include a Director's compensation or other incidental benefit for or on account of his or her service as a Director, Officer, Employee, Independent Contractor, Attorney, or Consultant of the Corporation.

Furthermore, notwithstanding the foregoing provision, in the event that Chapter 55 or any other such provision of the North Carolina General Statutes is amended or enacted to permit further limitation of elimination of the personal liability of a Director, the personal liability of the Corporation's Directors shall be limited or eliminated to the fullest extent permitted by the applicable law.

This Article shall not affect a Charter or By-Law provision or Contract or Resolution of the Corporation indemnifying or agreeing to indemnify a Director against personal liability. Any repeal or modification of the Article shall not adversely affect any limitation hereunder on the personal liability of a Director with respect to acts or omissions occurring prior to such repeal or modification.

7.3 Committees. The Board of Directors may from time to time appoint committees to assist in the carrying out of the purposes of the Association.

7.4 Meetings. The Board of Directors shall meet no less than two times during the year. Special meetings may be called by or at the request of any Officer.

7.5 Notice of Meetings. Notice of any meeting shall be given by oral or written notice delivered personally, by telephone, or mailed to each Director at his/her business or home address at least seventy-two (72) hours prior to the meeting. The required notice for a meeting of the Board of Directors may be waived by unanimous consent of the Directors given verbally or in writing.

7.6 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

7.7 Conduct of Meeting. The President and in his/her absence, the Vice President, and in their absence any Director chosen by the Directors present shall call a meeting of the Board of Directors to order and shall act as chair of the meeting. The Secretary of the Association shall act as Secretary of all meetings of the Board of Directors and in the absence of the Secretary the presiding Officer may appoint any other person present to act as Secretary of the meeting.

7.8 Vacancies. Any vacancy occurring in the Board of Directors may be filled until the next annual meeting by the Directors then in office.

ARTICLE VIII **OFFICERS**

8.1 Selection. Officers of the Association will be selected by and from the membership of the Association. The Officers shall consist of a President, Vice-President, Secretary and Treasurer.

8.2 Duties

a. The President shall be the chief executive officer, preside at all meetings, appoint committees and represent the Association in matters with the community.

b. The Vice-President, if the Association decides to have a Vice-President, shall assist the President in his/her duties and preside in the President's absence.

c. The Secretary shall keep minutes of all meetings of the Association and of the Board of Directors, and shall keep in a safe and orderly manner all documents and correspondence of the Association and make distribution of minutes and documents as directed by the Board of Directors.

d. The Treasurer shall collect all dues and other income of the Association, make disbursements as authorized by the Board of Directors and be accountable for the funds of the Association. The Treasurer shall keep up-to-date records of the Association's finances as well as record of the membership in good standing and the number of votes each may exercise. The Secretary and Treasurer can be the same person.

8.3 Requirements. All Officers must be members of the Association in good standing.

8.4 Officer Liability. No Officer of the Corporation shall have personal liability arising out of an action whether by or in the right of the Corporation or otherwise for monetary damages for breach of his or her duty as an Officer; provided, however, that the foregoing shall not limit or eliminate the personal liability of an Officer with respect to (i) acts or omissions not made in good faith that such Officer at the time of such breach knew or believed were in conflict with the best interests of the Corporation, (ii) any liability under Chapter 55 of the North Carolina General Statutes of any successor provision, (iii) any transaction from which such Officer derived an improper personal benefit, or (iv) acts or omissions occurring prior to the date of the effectiveness of this Article. As used in this Article, the term "improper personal benefit" does not include an Officer's compensation or other incidental benefit for or on account of his or her service as an Officer, Employee, Independent Contractor, Attorney, or Consultant of the Corporation.

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8.5 Removal. Any Officer may be removed by the Board of Directors whenever in its judgment the best interest of the Association shall be served.

8.6 Vacancies. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE IX **FINANCIAL MATTERS**

9.1 Fiscal Year. The fiscal year and budget year of the Association shall be January 1 through December 31.

9.2 Budget. The Board of Directors shall prepare a budget for presentation at the annual meeting of the Association. This budget shall reflect the entire range of costs incurred by the Association to maintain the land and roads held for the recreation, health, safety, welfare, and enjoyment of its members. These costs shall include, but not be limited to, road maintenance and repair, taxes, if any, other taxes, if any, insurance, if any, repair, replacement and additions to the improvements made to the roads and land, and the cost of labor, equipment, materials, management and supervision thereof. Copies of the proposed subsequent year's budget shall be mailed to member with notice of the annual meeting.

9.3 Annual Assessment. Upon the adoption of the budget each member who owns a lot in the subdivision shall be assessed a pro rata share, or one share per lot, of the entire budget. A statement indicating the amount of the assessment shall be mailed to each member within thirty (30) days of the annual meeting. The assessment is due and payable in full within thirty (30) days of billing date.

9.4 Special Assessment. A special assessment may be levied by the Association for the purpose of defraying in whole or part the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the common space if consented to by a majority of the members of the Association. Special assessments shall be due and payable (90) days after the required affirmative vote of the members of the Association.

9.5 Unpaid Assessments. If the assessments are not paid on the date when due, such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, become a continuing lien on the property which shall bind such property in the hands of the then owner, his/her heirs, devisees, personal representatives and assigns. Such assessment shall also be the personal obligation of the owner of the lot at the time said assessment becomes delinquent, and shall remain his/her personal obligation for the statutory period.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, compounded semi-annually until paid. The Association may bring an action at law against the owner personally obligated to pay the same or the foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing the filing of the Complaint in such action and a reasonable attorney's fee to be fixed by the Court together with the costs of the action.

9.6 Proof of Payment of Assessments. The Association shall, upon demand at any time, furnish to any lot owner a certificate in writing, signed by an Officer of the Association, setting forth whether said assessments have been paid. Such certificate shall be conclusive evidence of the payment of any and all assessments therein stated to have been paid.

9.7 Loss of Voting Privileges. Failure to pay assessments after due date shall automatically suspend the voting privilege until such assessments are paid.

9.8 Audit of Records. The books and records of the Treasurer shall be audited by a committee appointed by the President prior to the annual meeting and audit results to be presented at the meeting.

ARTICLE X **RULES AND REGULATIONS**

The Association shall adopt such rules and regulations as may be necessary to accomplish its purposes. Rules and regulations may be initiated, amended, or rescinded at any meeting by a majority vote of the membership entitled to vote.

ARTICLE XI **AMENDMENT OF BY-LAWS**

These By-Laws may be amended, repealed and new By-Laws adopted by affirmative vote of a majority of all membership entitled to vote under the terms and conditions of the By-Laws then existing. Proposals for any changes of By-Laws may be initiated by either the Board of Directors or by written request submitted to the Board of Directors signed by at least one-third (1/3) of the membership in good standing.