

ALPINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC.

A Nonprofit Corporation

BYLAWS

ARTICLE I – OFFICES. The principal office of the Association in the State of North Carolina shall be located at P.O. Box 202, Black Mountain, NC 28711 or at such other place as may be designated by the Board of Directors.

ARTICLE II – PURPOSE. Basically it is to promote cooperation in all matters of common interest to property owners in the Alpine Mountain Subdivision, Township of Black Mountain, Buncombe County, North Carolina; to facilitate and expedite the said property owners', interests in developing a better community and resident relationship; and to administer the said Subdivision in accordance with the Amendment to Restrictive Covenants and the Replacement Restrictive Covenants both approved by the membership and formally approved by the Board of Directors on September 6, 2008, collectively referred to as “Restrictive Covenants.” More specifically refer to Article 2, Section 2.3 of the aforementioned Replacement Restrictive Covenants.

A homeowners association was formed and incorporated in North Carolina as Alpine Mountain Homeowners Association, Inc. (hereinafter “Association”).

Alpine Mountain Homeowners Association, Inc. follows the guidelines of the North Carolina Planned Community Act. Following the guidelines and rules of this Act regarding the governance, administration and operation of a Planned Community such as Alpine Mountain is for the benefit of all Property Owners of Alpine Mountain. This will allow the Association to take advantage of the expanded statutory protections offered by such Act.

ARTICLE III – MEMBERS AND ASSESSMENTS. Any person who shall be the owner of any real property, any portion of which is contained within the Alpine Mountain Subdivision shall be qualified as, and considered to automatically be, a Member of this Association. For purposes of this Article, the term "person" shall include an individual, a corporation, an association, a partnership, a joint venture, a trust, an estate, and owners of real property held by joint tenancy or tenancy by the entireties. Owners of real property held by joint tenancy or tenancy by the entireties shall be considered collectively and shall be counted as one person. The basis for, and collection of, assessments, as well as the definitions of “real property” and “lot,” are specified in the aforementioned Amendment to Restrictive Covenants and Replacement Covenants.

ARTICLE IV - MEETING OF MEMBERS

Section 1 -Annual Meeting. An Annual Meeting of Members of the Association shall be held during the month of July, at a location to be selected by the Board of Directors. The normal business of such Annual Meeting shall consist of the following:

1. Financial Report
2. Audit Report

3. Written reports from each committee that is designated as a committee by the Board of Directors pursuant to Article VIII of these Bylaws.
4. Approval of Annual Road Maintenance Budget for the new fiscal year. The Annual Road Maintenance Assessment shall be derived from the approved Annual Road Maintenance Budget and the “per assessment” dollar amount for the new fiscal year shall be set accordingly.
5. Approval of Annual General Budget (non-road matters) for the new fiscal year. The Annual Assessment will be derived from the approved Annual General Budget and the “per assessment” dollar amount for the new fiscal year shall be set accordingly.
6. Approval of disposition of residual monies in previous year's budget accounts for the new fiscal year.
7. Election of Directors and Officers. Not more than thirty (30) days after the Annual Meeting, the Secretary of the Association will mail to all property owners the results of the Annual Meeting, including the list of new Officers with their addresses, phone numbers and electronic mailing addresses.

Section 2 - Special Meetings. Special Meetings of the Members may be called by the President, by a majority of the Board of Directors, or by written request of ten percent (10%) or more of the Members of the Association in good standing. Such written request shall be delivered to the Secretary of the Association and shall state the purpose or purposes for which the Special Meeting is requested.

Section 3 - Place of Meetings. The Board of Directors may designate any place within Buncombe County, North Carolina as the place for the Annual Meeting or for any Special Meeting.

Section 4 - Notice of Meetings. The Secretary of the Association shall cause notice to be (i) hand-delivered to the Member, (ii) sent prepaid by U.S. mail to the mailing address of each Member's Alpine Mountain Lot or to any other mailing address designated in writing by that Member, or (iii) sent by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the Member: (i) Not less than thirty (30) nor more than sixty (60) days in advance of the Annual Meeting; and (ii) Not less than ten (10) nor more than (60) days in advance of a Special Meeting. The notice of any Meeting of Members shall state the time and place of the Meeting and the items on the agenda.

Section 5 - Informal Action by Members. Any action required by law to be taken at a Meeting of the Members may be taken without a Meeting if a consent in writing, setting forth action so taken, shall be signed by at least two-thirds (2/3) of Members in good standing who are entitled to vote with respect to the subject matter thereof unless a different proportion is otherwise required in these Bylaws for the particular action.

Section 6 - Quorum. A quorum for a Meeting of Members is established as Members present plus proxies. Once a Member makes an appearance at a Meeting, either in person or by proxy

said Member is deemed present for quorum purposes for the rest of the Meeting, excepting that in any vote to adjourn. A simple majority of those present and voting shall qualify.

ARTICLE V - BOARD OF DIRECTORS AND OFFICERS

Section 1 - General Powers. The affairs of the Association shall be managed by its Board of Directors. Each Director shall be an individual who maintains the status of a Member in good standing. With regard to all transactions exceeding two hundred fifty (\$250.00) in value, neither the Board of Directors nor any Director of the Association shall have any authority to make a material expenditure of the Association's funds, encumber or convey the Association's assets, or otherwise commit the Association unless such expenditure, encumbrance or commitment appears in the Association's Annual Road Maintenance Budget or Annual General Budget and/or has been authorized in writing according to Article IV of these By-laws. The Board of Directors shall disburse the Association's funds as directed by the Annual Road Maintenance Budget and Annual General Budget as approved by the Members at the Annual Meeting.

Section 2 - Number. The Board of Directors shall consist of seven (7) Directors including the President, Vice President, Secretary and Treasurer of the Association and three At-Large Directors.

Section 3 - Directors as Officers. The officers of the Association shall be four (4) in number, namely a President, a Vice President, a Secretary and a Treasurer. Each Officer must be a Member in good standing: (1) *President*: The President shall be the principal executive officer of the Association and shall, in general, be responsible for directing and supervising all business and affairs of the Association. The President shall normally preside at all Meetings of the Members and of the Board of Directors. In addition, the President shall perform such other duties as may from time to time be assigned by the Board of Directors; (2) *Vice President*: In the absence of the President or in the event of the President's inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have the powers of and be subject to the restrictions placed upon the President. The Vice President shall perform such other duties as may from time to time be assigned by the Board of Directors; (3) *Secretary*: The Secretary shall keep minutes of Meetings of the Members in a book provided for that purpose, issue or cause to be issued all notices required by these Bylaws, keep a register of the post office address, and where applicable, electronic mailing address, of each Member which shall be furnished by the Member. The Secretary shall also keep minutes of the Board of Director Meetings and distribute the minutes to Directors and the residents at least one (1) week before the next Board Meeting. (4) *Treasurer*: The Treasurer shall have charge of the funds of the Association, together with all such books and papers as pertain to this office. The Treasurer shall keep an accurate account of all money received and disbursements made. If required by the Board of Directors, the Treasurer shall give a bond in such sum and with such surety as the Board of Directors shall determine. The Treasurer shall notify the Board of Directors monthly of any or all Members who are delinquent in the payment of dues and or assessments for a period of ninety (90) days or more. All books and records of the Association may be inspected by any Member, or such Member's agent or attorney, for any proper purpose, at any reasonable time.

The members of the Association elect the other three (3) Directors at large. Each Director

must be a Member in good standing. Willingness to serve should be the main criterion.

Section 4 – Annual Meeting and Regular Meetings. Annual Meetings of the Board of Directors shall be held without other notice than this provision of the Bylaws. The Board of Directors may provide by resolution the time and place for the holding of additional Regular Meetings of the Board of Directors without other notice than such resolution.

Section 5 - Rules of Order. The most recent edition of Robert’s Rules of Order Newly Revised shall govern the conduct of Association proceedings. The President of the Association shall have the authority to appoint or not appoint a parliamentarian.

Section 6 - Special Meetings. Special Meetings of the Board of Directors may be called by or at the request of the President, or by any two or more Directors. Notice, including time, date and place of any Special Meeting shall be communicated to all of the Directors at a reasonable time prior to the Meeting.

Section 7 – Telephonic Meetings. At the request of the President, or at the request of any two or more Directors, a Telephonic Meeting may be called to be conducted solely by telephone, or by one or more Directors participating by telephone with other Directors being together in one place. As with Special Meetings, notice of the Telephonic Meeting, including time and date (and place, as applicable), shall be communicated to all of the Directors at a reasonable time prior to the Telephonic Meeting. The quorum rules discussed below shall otherwise apply to Telephonic Meetings.

Section 8 – Action Without a Meeting. At the request of the President, the Directors may take any action that would otherwise take place at a Meeting, by each Director executing in writing an approval of the action proposed to be taken. Such action requires approval by all Directors, and as a result, the quorum rules discussed below are not applicable. The Secretary shall maintain all such approvals in the records of the Association and shall reference any such approval in the minutes to be distributed to Directors in advance of the next Board Meeting.

Section 9 – Budgeting. The Board of Directors shall determine, for each fiscal year, its recommendation for the Annual Road Maintenance Assessment and the Annual Assessment for property owners, and recommend any proposed Special Assessments. These items shall be voted on at the Annual Meeting of Members or at a Special Meeting of Members as required.

Section 10 – Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any Meeting of the Board. However, if less than a simple majority of Directors is present at a Meeting, the majority of Directors present may adjourn the Meeting.

Section 11 - Manner of Acting. The act of a simple 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 12 – Chair. The President of the Association shall serve as the Chair of the Board of

Directors.

Section 13 – Vacancies. A vacancy for any position of Officer or Director, because of death, resignation, removal or otherwise, may be filled by vote of the Board of Directors for the unexpired portion of the term of his or her predecessor. Such unexpired term shall not be considered to be a “term” for purposes of the two-term limit for Officers described in Article VI, Section 6 below.

Section 14 – Compensation. The Officers and Directors shall receive no salary or other compensation for their services to the Association.

Section 15 – Removal. Any Officer or Director may be removed at any time with just cause in the best interest of the Association by a vote of the Members entitled to vote, if the number of votes cast to remove such Officer or Director exceeds the number of votes cast not to remove him or her. If an Officer or Director misses three (3) consecutive Board Meetings, the Board of Directors may remove the Officer or Director in its discretion.

Section 16 - Indemnification of Directors and Officers. The Association shall indemnify and hold the Officers and Directors harmless from any personal liability, expense and loss arising from claims made against such Officers and Directors for malfeasance or bad judgment if the actions giving rise to such claims were not grossly negligent or intentionally and knowingly done in violation of the provisions of the Restrictive Covenants and these Bylaws or the laws of North Carolina, or the United States of America.

ARTICLE VI - ELECTION OF DIRECTORS AND OFFICERS

Section 1 - Election Committee. Not later than the first Saturday of April, in anticipation of the Annual Meeting, the President shall appoint an Election Committee. The Election Committee may have a maximum of six (6) members.

Section 2 – Eligibility. Any individual who maintains the status of a Member in good standing is eligible to serve as an Officer or as a non-Officer Director. Provided, however, any individual wishing to stand for election must submit to the Secretary his or her request and a statement of qualification for the particular Officer position or as a non-Officer Director. Provided further, an individual may only stand for election for one particular Officer position or for a position as one of the three (3) non-Officer Directors; an individual may not stand for election to more than one position for a given election.

Section 3 - Statement of Qualification. To be included in the ballot for the election at the Annual Meeting, the individual must submit to the Secretary the request and statement of qualification not later than May 1, in anticipation of the Annual Meeting.

Section 4 - Assembling the Ballot. The Secretary shall promptly transfer to the Chair of the Election Committee all requests to stand for election and statements of qualification that are received. The Election Committee shall verify that a request to stand for election and a statement of qualification has been received in the allotted time for any individual wishing to appear on the ballot for the election at the Annual Meeting, and shall also confirm with the Treasurer that each

individual is a Member in good standing. In addition, (i) the Election Committee may in its discretion solicit individuals (who are otherwise Members in good standing) to stand for election for any position or positions, and (ii) if a request and statement of qualification has not been received in the allotted time for any particular open position, the Election Committee shall solicit individuals (who are otherwise Members in good standing) to stand for election for such position. The Election Committee shall assemble the ballot consisting of those individuals having timely submitted a request to stand for election and a statement of qualification, as well as any individuals solicited by the Election Committee who have indicated a willingness to serve if elected. The ballot shall contain a brief statement of qualification (as mutually agreed by the individual and the Election Committee) for each individual standing for election. Individuals shall be listed alphabetically by last name for each position, and no indication shall be given whether the individual submitted a request or was solicited by the Election Committee.

Section 5 - Nominations from the Floor. Nominations shall be accepted from the floor at the Annual Meeting and shall be considered in voting, provided any individual so nominated is a Member in good standing and states a willingness to serve if elected.

Section 6 - Term of Office. Non-Officer Directors shall serve a one two-year term (2) and may be reelected to (1) subsequent term or a total of two consecutive terms. Officers shall serve a two (2)-year term and can only serve two (2) consecutive terms of office. Officers and non-Officer Directors so elected shall assume office at the conclusion of the Annual Meeting. The election of the President and the Treasurer for two (2)-year terms will occur in odd-numbered years, and the election of the Vice President and the Secretary for two (2)-year terms will occur in even-numbered years so that all Officers are not elected or reelected at the same time.

ARTICLE VII – VOTING

Section 1 - Casting a Vote. At all Meetings of Members, except for the election of Officers and Directors, all votes shall be by a show of hands. The vote shall be by ballot for Officers and Directors. For purposes of confidentiality and integrity of the election, ballots shall be issued to the voter with an envelope having an identifying number or mark that will permit the Treasurer to verify the eligibility of the voter or the absentee ballot. Completed ballots shall be delivered to the Secretary in such envelope and received by the Secretary by mail or by hand prior to such vote. The Secretary shall transfer all such envelopes to the Chair of the Election Committee for tabulation. At any Annual Meeting or Special Meeting if a majority present so requests, any question may be voted upon in the manner and style provided for election of Officers and Directors. An effort shall be made by the President of the Association to give adequate notice to Members not living in Buncombe County of the Annual Meeting and all Special Meetings, so that all Members have an opportunity to participate therein. At all Meetings, Members entitled to vote may vote either in person or by one or more proxies authorized by a written appointment of proxy duly signed by the Member or by his or her duly authorized attorney in fact; proxies may be for a particular Meeting, for a specific action or via a general appointment of proxy. A proxy is void if it is not dated. A proxy is valid for eleven (11) months from the date of its execution, unless it specifies a shorter term. Provision shall be made for absentee ballots for the Annual Meeting.

Section 2 - Qualified Votes. A Member, to be in good standing and qualified to vote must not be in arrears in excess of ninety (90) days in payment of either the Annual Road Maintenance Assessments, Annual General Assessments and Special Assessments. For purposes of voting on

issues requiring the vote of the Members, each Member in good standing shall be entitled to one (1) vote per Assessment.

ARTICLE VIII – COMMITTEES

Section 1 - Other Committees. Committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a Meeting at which a quorum of Directors is present; such Meeting may be an Annual Meeting, a Regular Meeting or a Telephonic Meeting. Except as otherwise provided in the resolution, members of such Committees shall be Members in good standing, and the President shall appoint the members thereof (except for members of the Road Maintenance Committee described in Article IX of these Bylaws, which members shall be appointed by the Board of Directors).

Section 2 - Dissolution of Committees. The Board of Directors may dissolve any and all committees, which it has designated whenever it considers that the requirements of the pertinent resolution or resolutions have been met or whenever the Directors consider such dissolution to be appropriate. The majority requirement established in Section 1 above for the designation of Committees shall be met when such Committees are to be dissolved.

Section 3 - Indemnification of Committee Members. The Association shall indemnify and hold duly appointed Committee members harmless from any personal liability, expense and loss arising, from claims made against such Committee members for malfeasance or bad judgment if the actions giving rise to such claims were not grossly negligent or intentionally and knowingly done in violation of the provisions of the Restrictive Covenants and these Bylaws or the laws of North Carolina, or the United States of America.

ARTICLE IX - ROAD MAINTENANCE

Section 1 – Purpose. To set forth the procedures to be used to assess, collect and disburse funds for the maintenance of all Association roads and Scroop's Road within the Alpine Mountain Subdivision.

Section 2 – Definitions

Road. For the purpose of these Bylaws, a Road is defined as any right of way, which was constructed by the developer of the Alpine Mountain Subdivision for the purpose of vehicular access to lots within the subdivision including Scroop's Road.

Road Maintenance. Road Maintenance is defined as any action necessary to, but not limited to, correcting any problems of passage and safety and shall include culverts, ditches, surfaces of roads and road shoulders.

Section 3 - Road Maintenance Committee. The Board of Directors shall appoint a Road Maintenance Committee Chair with recommendation of the President and a Road Committee consisting of one representative when possible of each Road or Road Segment. The Road Maintenance Committee will consist of representation from both the Lower and Upper

Neighborhoods with the purpose to view the respective funds for the benefit of the entire community. The expenditures from each fund will be used for the respective neighborhoods. Refer to Article 11 of the aforementioned Replacement Restrictive Covenants and to the aforementioned Amendment to Restrictive Covenants.

The functions of the Road Maintenance Committee shall be: 1.To prepare and present a five (5)-year plan for Road Maintenance for approval to Board of Directors not later than the first Saturday of June, in anticipation of the Annual Meeting. This five (5)-year plan will be reviewed and updated each year by the Road Maintenance Committee then serving; 2. Present monthly updates to Board of Directors on progress of this approved plan; and based on budgeted funds, prioritize Road Maintenance, routine and emergency work and communicate all repairs, etc. to the Board of Directors; 4. For routine maintenance, to obtain at least two (2) quotes when practical and select the best bid, based on price, quality and proof of insurance, as determined in the discretion of the Road Maintenance Committee; 5. Approve and coordinate all proposals for Road Maintenance; 6. Chair of the Road Maintenance Committee and the President to determine when an emergency exists and expend funds as needed to correct the emergency.

ARTICLE X - CHECKS, DEPOSITS, AND FUNDS

Section 1 - Checks, Drafts, etc. All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer or Officers of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall (i) be signed by the Treasurer and countersigned by the President or Vice President of the Association, or (ii) upon notice given by the Treasurer to another one (1) of the Officers that the Treasurer will be unavailable for a period of time, be signed by one (1) of the other three (3) Officers and countersigned by another one (1) of such other three (3) Officers.

Section 2 – Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in a commercial bank or savings and loan association, which is located in Buncombe County, North Carolina.

Section 3 – Gifts. Individual members of the Board of Directors may not accept personal gifts on behalf of the Association without majority vote approval of Board of Directors.

ARTICLE XI - BOOKS AND RECORDS

Section 1 – Inspection. All books and records of the Association may be inspected by any Member in good standing, or such Member’s Agent, for any purpose at any reasonable time.

Section 2 – Audit. The Books and records of the Treasurer shall be audited, prior to the Annual Meeting of the Members, by an Audit Committee appointed by the Board of Directors. The Audit Committee shall make its report at the Annual Meeting of the Board of Directors and the report shall be recorded in the minutes of that Meeting. The report of the Audit Committee shall be published in a form determined by the Board of Directors to be appropriate for circulation to the Members.

Section 3 - Fiscal Year. The fiscal year of the Association is July 1 through June 30.

ARTICLE XII – ASSESSMENTS AND FINES

Section 1 - Assessments. The Board of Directors shall, at the Annual Meeting of Members, at a Special Meeting of Members or by informal action of Members, as required, recommend the amount of Assessments, either Annual Assessment, Road Maintenance Assessment, Emergency Assessment, or Special Assessment pursuant to the Amendment to Restrictive Covenants and to the provisions of Article 11 of the Replacement Restrictive Covenants.

Section 2 - Payment of Assessments. The Annual Road Maintenance Assessments and the Annual Assessments are levied as a “per assessment” pursuant to the Amendment to Restrictive Covenants and Article 11 of the Replacement Restrictive Covenants. The Emergency Assessment and/or Special Assessment are one-time charges pursuant to Article 11, Sections 11.3 and 11.4 of the Replacement Restrictive Covenants.

Annual Road Maintenance Assessments, and Annual Assessments shall be payable pursuant to Article 11 of the Replacement Restrictive Covenants, on the first day of the fiscal year. Such Annual Road Maintenance Assessments, Annual General Assessments, Emergency Assessments, and Special Assessments shall be paid to and held by the Treasurer in conformance to Article X, Section 2 of these Bylaws. These funds are not disbursed until an order of the Board of Directors or the President in conformance with the Annual Road Maintenance Budget and the Annual General Budget.

Section 3 - Fines. Pursuant to Article 5 “Enforcement of Covenants” of the Replacement Restrictive Covenants and more specifically Article 5.4 “Charges for Violations,” the Board by majority vote may charge a Property Owner with violations of an established covenant. The Board may also levy and collect fines pursuant to Article 12, Section 11.11 “Delinquent Assessments” of the Replacement Restrictive Covenants.

ARTICLE XIII - AMENDMENTS TO BYLAWS. These Bylaws may be altered, amended, repealed, or new Bylaws adopted, by the affirmative vote of a two-thirds (2/3) of Members present plus proxies and eligible to vote at the Annual General Meeting or Special Meeting. Notice in writing to all Members must be given prior to the Meeting at which a vote on the proposed amendments to the Bylaws will be taken. Such notice must be given not less than thirty (30) days nor more than sixty (60) days prior to the above- mentioned Meeting.