

**By-Laws  
Of  
Valley River Mountain Property Owners Association, Inc.**

---

**Article I.**

Name and Location. The name of the corporation is Valley River Mountain Property Owners Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at P.O. Box 773 Murphy, NC 28906, but meetings of members and directors may be held at such places within the State of North Carolina, County of Cherokee, as may be designated by the Board of Directors.

**Article II.  
Definitions**

**Section 1.** "Association" shall mean and refer to all property owners within Valley River Mountain, its successors and assigns.

**Section 2.** "Properties" Shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as my hereafter be brought within the jurisdiction of the Association.

**Section 3.** "Common Area" shall mean all real property owned by the association for the common use and enjoyment of the Owners.

**Section 4.** "Lot" shall mean and refer to any plot of land identified by the Cherokee County Tax Office as an individual parcel shown upon the current recorded subdivision map of the Properties with the exception of the Common Area.

SEAL

**Section 5.** "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

**Section 6.** "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of Register of Deeds for Cherokee County, North Carolina.

**Section 7.** "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

### **Article III.** Meeting of Members

**Section 1.** Annual Meetings. The next annual meeting following the acceptance of these revised By-Laws shall be held on June 10th, and each subsequent regular annual meeting of the members shall be held on a date agreed upon by majority vote at the preceding Annual Meeting of the Members, at the hour of 7:00 o'clock, p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first Saturday following which is not a legal holiday.

**Section 2.** Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of one-fourth of the members who are entitled to vote.

**Section 3.** Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

**Section 4.** Quorum. The presence at the meeting of members entitled to cast, or the proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereafter shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

**Section 5.** Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his/her Lot.

SEAL

**Article IV.**

## Board of Directors: Selection: Term of Office

**Section 1. Number.** The affairs of this Association shall be managed by a Board of five (5) directors, who must be members of the Association.

**Section 2. Term of Office.** At the next annual meeting following the acceptance of these revised By-Laws, the members shall elect three directors for a term of two years and two directors for a term of one year. During all subsequent years the member shall elect directors to fill vacancies as needed for two year terms.

**Section 3. Removal.** Any director may be removed from the Board, with or without cause, by a vote of a majority of the members of the Association. Such a vote may be in the form of a signed petition or by signed letters expressing the wishes of each member to remove the director. Removal shall be effective on the date presented to the Board at a regular or special Board meeting, or at any later time specified therein, and unless otherwise specified therein, the acceptance of such removal shall not be necessary to make it effective. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve until the next Annual Meeting of the Members.

**Section 4. Compensation.** No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

**Section 5. Action Taken Without a Meeting.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

**Article V.**

## Nomination and election of directors

**Section 1. Nomination.** Nomination for election to the Board of Directors shall made by nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of the chairman, who shall be a member of the board of directors, and two or more members of the association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and announcement of such appointments shall be included in one of the semi-annual newsletters. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than one more than the number of vacancies that are to be filled. Such nominations may be made from among members only.

SEAL

**Section 2. Election.** Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the declaration. Ballot slips will be distributed according to the number of votes each member is entitled – one ballot slip per vote. A round of voting will be held for each vacancy. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

**Section 3. Special Election.** In the event of death, resignation or removal of three or more of the members of the Board originally elected by the membership, a special meeting of the members will be called within 30 days of the situation arising to fill all positions vacated since the last annual meeting. Those Board members elected will serve until the next regularly scheduled annual meeting.

**Section 4. Votes Allocation.** Each member shall be entitled to one vote for each Lot owned; provided, however, when more than one person holds an interest in any Lot, all such Persons shall be members and, the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote or any fraction of a vote be cast with respect to any Lot.

**Section 5. Eligibility to Vote.** Any member with outstanding assessments, liens, or judgments shall be ineligible to vote until such claims are settled in full and all payments have cleared.

#### **Article VI.**

##### Meeting of directors

**Section 1. Regular meetings.** Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the board. Should an upcoming meeting fall upon a legal holiday, then the board has the right to select an alternate date within one week of the regularly scheduled date.

**Section 2. Special meetings.** Special meetings of the board of directors and shall the held when called by the president of the association, or by any two directors, after not less than three days notice to each director.

**Section 3. Quorum.** A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by the majority of the directors present at the duly held a meeting at which a quorum is present shall be regarded as an act of the board.

SEAL

**Article VII**  
Powers and Duties of the Board of Directors

**Section 1.** Powers. The Board of Directors shall:

- a) adopt and publish rules and regulations governing the use of the Common Area, facilities and community maintained areas, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof (any monetary penalties assessed shall not exceed 100% of the annual assessment plus reimbursement for damages to property);
- b) suspend the voting rights and right to use of the common area and recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing by the Board, for a period not to exceed 60 days for infraction of published rules and regulations;
- c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meeting of the Board of Directors; however, absentee votes submitted to the President or Secretary prior to the meeting on key agenda issues will be accepted and the Board reserves the right to judge the contribution substantial and count the missing board member present.
- e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

**Section 2.** Duties. It shall be the duty of the Board of Directors:

- a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members.
- b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c) as more fully provided in the Declaration, to:
  - 1) fix the amount of the annual assessment against each Lot at least sixty (60) days in advance of the beginning of each fiscal year (January 1<sup>st</sup>);

SEAL

- 2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the beginning of each fiscal year (January 1<sup>st</sup>);
  - 3) File a lien at the Cherokee County Courthouse against any property for which assessment are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligate to pay the same.
  - 4) Foreclosure proceeding can be initiated at the discretion of the Board.
- d) issue, or to cause an appropriate office to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. The certificate must be signed and dated by the President and/or Treasurer and be affixed with the corporate seal. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
  - e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
  - f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
  - g) cause the Common Area to be maintained as per the instructions and within the budget determined by the members at the annual meeting.
  - h) Send a semi-annual newsletter to all members to provide an overview of the actions taken by the Board, the status of the budget, and future plans. These will included with the annual assessment notice and with the notice of the Annual Meeting of the Members.

**Section 3. Limits on Power.**

- a) The Board shall provide notice to all members at least 60 days prior to embarking on any project which would require expenditures, single or cumulative, amounting to more than 30% of the annual budget at are not directly related to the maintenance of the road, ditches or culverts.
- b) A majority vote by those members eligible to vote will at all times supersede the power of the Board.
- c) General special assessments levied by the Board shall not exceed 500% of the Annual Assessment without approval by a majority of the members eligible to vote.

SEAL

**Article VIII**  
Officers and Their Duties

**Section 1.** Enumeration of Offices. The officers of this Association shall be president and vice-president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create. The President and Vice-President shall be selected from among the duly elected board members and shall maintain their privileges as full board members. Secretary, treasurer and special offices may be filled by board members and/or non-board members. At no time may the President and Treasurer be related.

**Section 2.** Election of Officers. The elections of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

**Section 3.** Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

**Section 4.** Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

**Section 5.** Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6.** Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

**Section 7.** Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

**Section 8.** Duties. The duties of the officers are as follows:

President

- a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes.

SEAL

## Vice-President

- b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

## Secretary

- c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it to all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

## Treasurer

- d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

**Article IX.**  
Committees

The Association shall appoint any committee or committees as deemed appropriate in carrying out its purpose.

**Article X.**  
Books and Records

The books, records and papers of the association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principle office of the Association, where copies may be purchased at reasonable cost.

SEAL

**Article XI.**  
Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 10 percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

**Article XII.**  
Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: VALLEY RIVER MOUNTAIN PROPERTY OWNERS ASSOCIATION, INC.

**Article XIII.**  
Amendments

**Section 1.** These By-Laws may be altered or amended, at a regular or special meeting of the members, by a vote of two-thirds (2/3) of the members, eligible to vote, present in person or by proxy.

**Section 2.** In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

**Article XIV.**  
Miscellaneous

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year.

**Article XV.**  
Severability

Invalidation of any one of these covenants or conditions by judgment or order of any court shall in no way affect any of the other provisions which shall remain in full force and effect.

SEAL

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of the Valley River Mountain Property Owners Association, Inc., a North Carolina Corporation, and, that the foregoing By-Laws constitute the official By-Laws of said Association, as duly adopted at the monthly Board of Directors meeting held on the 31st day of August, 2005.

In Witness Whereof, I have hereunto subscribed my name and affixed the seal of said Association.

This 31st day of August, 2005.

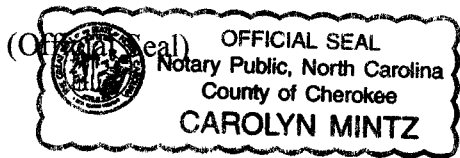
Joe Senger  
Secretary

North Carolina

Cherokee County

I, Carolyn Mintz, a notary Public for said County and State, do hereby  
Certify that Joe Senger personally appeared before me this day and  
acknowledged the due execution of the foregoing instrument.

Wines my hands and official seal, this the 16<sup>th</sup> day of December, 20 05



Carolyn Mintz  
Notary Public

My commission expires December 9, 20 08

