

BY-LAWS OF TWIN RIVERS PROPERTY OWNERS' ASSOCIATION, INC.
As Amended July 26, 2014 at the Annual Meeting

ARTICLE I

The name of the corporation is TWIN RIVERS PROPERTY OWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 136 North Water Street, Boone 28607, Watauga County, North Carolina 28607, but the meetings of members and directors may be held at such places within the State of North Carolina, County of Watauga as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Twin Rivers Property Owners' Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Restrictions for Twin Rivers Development, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Areas" shall mean those platted subdivision roadways, pedestrian trail easements, those portions of the Watauga River or the Boone's Fork Creek within the perimeter of the development, any hiking or pedestrian easements denoted on any recorded Plat for any phase or section of Twin Rivers Development and any other real property either owned by the Association or dedicated to and for the common use and enjoyment of the Owners. Common areas shall specifically include, but shall not be limited to, the improvements for the road surface and storm drainage ditches and culverts located within the right of way for all private streets as shown on recorded plats.

Section 4. "Lot" shall mean and refer to any plot of land designated for single-family residential use and shown as a numbered Lot upon the recorded subdivision Plat of the Properties with the exception of the Permanent Common Open Space.

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. "Declarant" shall mean and refer to Terra Alta Development Group, L.L.C., its successors and assigns, if such successors and assigns should

acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Restrictions for Twin Rivers Development recorded in Book of Records 460, Page 679, and First Addendum of Declaration of Restrictions recorded in Book of Records 479, Page 626, Watauga County Public Registry.

Section 8. "Member" shall mean and refer to those person enjoying a beneficial ownership interest in any Lot, but not merely a security interest, and thereby entitled to membership as provided in the Declaration.

Section 9. "Common Expense" shall mean and include:

- a) All sums lawfully assessed by the Association against its members;
- b) Expenses of the common areas and administration, maintenance, repair, or replacement of the Common Area(s);
- c) Expenses declared to be common expenses by the provisions of the Declaration or these By-Laws.
- d) Hazard, liability, or such other insurance premiums as the Declaration or these By-Laws may require or authorize the Association to purchase;
- e) Ad valorem taxes and public assessment charges lawfully levied against common areas.
- f) Expenses agreed by the members to be common expenses of the Association.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on a Saturday during the month of July at an hour and time designated by the Board of Directors.

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 the members who are entitled to vote at least ten percent (10%) of all of the eligible votes, as defined below.

Section 3. Notice of Meetings. Unless otherwise specified in the Declaration, Articles of Incorporation or By-Laws, 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, not fewer than ten (10) nor more than sixty (60) 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, or supplied by such member to 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. Unless otherwise specified in the Declaration, Articles of Incorporation or By-Laws, the presence at the meeting of members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the votes of the membership, on a one (1) vote-per-Lot basis, 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 thereat 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 meeting 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 Lot.

ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association, after the first year, and subject to the control powers reserved by the Declarant in the Declaration, shall be managed by a Board of seven (7) directors who shall be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect seven (7) directors for a term of one (1) year each. At the third annual meeting, the members shall elect three (3) directors for a term of three (3) years each, two (2) directors for a term of two (2) years each, and two (2) directors for a term of one (1) year each. The specific term of each elected director will be based on number of votes received. At the fourth annual meeting the members shall elect two (2) directors for a term of three (3) years each. In subsequent years the members shall elect the number of directors whose term expires that year for a term of three (3) years each. Said directors shall remain in office until their successors have been duly elected and qualified.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. 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 for the unexpired term of his predecessor.

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 (including faxed or e-mailed) approval of a majority of 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. After the initial annual meeting, a slate of nominees for election to the Board of Directors shall be made by a Nominating Committee. Additional nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association, at least one (1) of whom shall not be a member of the Board of Directors. The Nominating Committee shall be appointed by the Board of Directors at least ninety (90) days prior to each annual meeting of the members, to serve until the close of such annual meeting. 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 the number of vacancies that are to be filled. Such nominations may be made from among member or non-members.

Section 2. Election. Election to the Board of Directors shall be either by acclamation or, if contested, by secret written ballot. At such elections 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. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETING OF DIRECTORS

Section 1. Regular Meeting. Regular meeting of the Board of Directors shall be held at least annually, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any four (4) directors, after not less than three (3) 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 a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. Directors participating in a meeting by

teleconference constitute being "present" to establish a quorum and for voting at the meeting.

Section 4. Voting. At all Regular and Special Meetings of the Board of Directors, each director present shall have one vote, and the President in addition shall have a tie-breaking vote.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- a) adopt, amend and publish rules and regulation governing the use of the Common Areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- b) suspend the voting rights and right to use the 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, for a period not to exceed sixty (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 meetings of the Board of Directors;
- 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 to:

- 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, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;
- 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 thirty (30) days in advance of each annual assessment period;
 - 2) send written notice of each assessment to every Owner subject thereto at least ten (10), but no more than sixty (60), days in advance of each annual assessment period; and

- 3) Provide notice to a lot owner that a claim of lien may be filed against any property for which assessments are not paid within thirty (30) days after the due date; or bring an action at law against the owner personally obligated to pay the same.
- 4) Issue, or to cause an appropriate officer 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. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- 5) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- 6) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- 7) Cause the Permanent Common Area to be maintained;
- 8) Pay ad valorem taxes and public assessments levied against the common areas.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and a Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officer. The election 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 of the Association 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 office 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 (1) 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:

- a) President. 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 on behalf of the Association.
- b) Vice President. 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.
- c) Secretary. The Secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on 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.
- d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse the funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of the account; cause a non-profit corporate tax return to be filed with the federal and state governments, if required by law; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting after tentative approval by the Board of Directors, and deliver a copy of each to the members. The Treasurer shall issue certificates indicating the payment or non-payment of assessments on specified lots.

ARTICLE IX COMMITTEES

Upon closing of the initial sale of the declarant's last Lot, or upon the Declarant's relinquishment or abandonment of its control authority as to Paragraph 7 of the Declaration, the Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X 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 on which the assessment is made. Any assessments which are not paid within thirty (30) days of the due date shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the lesser of the rate of eighteen percent (18%) per annum or the highest interest rate permitted by law, 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 in the same manner that Deeds of Trust may be foreclosed under Power of Sale under Chapter 45 of the North Carolina General Statutes, or its successors, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by non-use of the Common Area(s) or abandonment of his or her Lot.

ARTICLE XI CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: TWIN RIVERS PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE XII AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members 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 XIII MISCELLANEOUS

Section 1. The initial invoice for Twin Rivers POA Annual Dues will be provided to all lot owners no later than June 1 of each year, and payment will be due by July 1. If payment is not received by August 1, the dues will be considered delinquent. Delinquent lot owners will be notified that interest of 1.5% per month (or

the highest interest rate permitted by law) will accumulate on the unpaid balance from August 1 until the dues are paid. If payment is not received by August 1, a letter and invoice will be sent to the lot owner(s) indicating that their dues are delinquent, that interest is being charged, and that liens may be filed against the property. A notice to the lot owner of intent to file a lien shall also inform the lot owner of the opportunity to contact a representative of the Association to discuss a payment schedule for the outstanding balance. For lots where payments are delinquent, the Board of Directors will also consider suspension of privileges and voting rights. If dues plus interest remain unpaid for 12 months after the lien has been filed, the Board of Directors will consider initiation of foreclosure.

When special assessments are levied against lots, if payment has not been received within 30 days of the due date, a second notice will be provided to the delinquent lot owners, and an interest of 1.5% per month (or the highest interest rate permitted by law) will accumulate on the unpaid balance beginning thirty (30) days after the due date. The Board of Directors will make a determination on filing liens and suspending privileges and voting rights on the delinquent lots owners when payment of the special assessment is delinquent. If the special assessment plus interest remain unpaid for 12 months after the lien has been filed, the Board of Directors will consider initiation of foreclosure.

Section 2. The fiscal year of the Association shall begin on the first day of July and end on the 30th day of June of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, this Amended By-Laws for Twin Rivers Development is executed by its President to certify and confirm that revisions to the By-Laws reflected in and incorporated into the foregoing instrument were approved by the affirmative vote by a majority of the owners present and by proxy at the Annual Meeting held on July 26, 2014.

Twin Rivers Property Owners' Association, Inc.

By: Thomas D. Loftin, President