

BYLAWS OF LAKESIDE MEADOWS HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I - GENERAL

Section 1. Applicability. These Bylaws provide for the self-government of Lakeside Meadows ("the Subdivision") in accordance with the Articles of Incorporation of the Association and the Restrictive Covenants (the "Declaration"). The Declaration of the Subdivision is recorded in the Office of the Register of Deeds for Buncombe County in Deed Book 5404, at Page 152, which Declaration requires the establishment of the Association for the purposes therein set forth

All present and future owners, tenants, occupants, guests, employees and invitees are subject to the terms and conditions of these Bylaws and any amendments thereto. The Association is created for the purposes set forth in the Declaration as a non-profit corporation pursuant to the laws of the State of North Carolina, which purposes include the provision for the maintenance, repair, replacement and operation of the Common Elements of the Subdivision, including, but not limited to, the entrance sign with its adjacent landscaping, roadsides, street lighting, common areas and provision for other matters which promote the general welfare of the Owners of lots within the Subdivision.

Section 2. Name and Office. The name of the Association is LAKESIDE MEADOWS HOMEOWNERS' ASSOCIATION, INC. ("the Association"). The principal office of the Association shall be located at 69 Brown St., Weaverville, North Carolina or such other place as the Board of Directors shall designate from time to time. The registered office of the Association required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 3. Membership. As provided for in North Carolina G.S. 47F, the North Carolina Planned Community Act ("the Act") an Owner of a lot in the Subdivision shall become a member of the Association upon taking title to the lot and shall remain a member for the entire period of ownership of the lot. If title to a lot is held by more than one person, the membership shall be shared in the same proportion as the ownership, but there shall be only one membership per lot.

Section 4. Purpose. The Association shall have those responsibilities assigned to it in the Declaration and in the Act.

ARTICLE II - DEFINITIONS

Terms as used in these Bylaws shall have the meanings set forth in the Declaration unless specifically provided otherwise herein or the context of their use requires otherwise.

ARTICLE III - BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by the Board of Directors or by such Executive Committees as the Board may establish pursuant to these Bylaws.

Section 2. Members. The Board of Directors shall consist of five (5) individuals who are Owners or Co-owners of lots in the Subdivision. Co-owners who are on the Board cannot substitute other Co-owners of his or her lot into their elected position on the Board.

Section 3. Election and term. Election of the initial group of Directors shall take place at the first meeting of the Association on February 28, 2017. Immediately following such election, the Directors so elected shall draw lots to determine which three Directors shall have a two-year term and which two Directors shall have a one-year term. Directors drawing a one year term shall serve through the 2018 annual meeting. Directors drawing a two year term shall serve through the 2019 annual meeting. Successor Directors shall serve two year terms, their election alternated two elected in one year and three in the next. Directors may be elected to more than one term in office.

Section 4. Voting. Each Director shall be entitled to cast one vote.

Section 5. Annual Meeting. An Annual Meeting of the Association membership shall be scheduled each year during the second week of January.

Section 6. Regular Meetings. The Board of Directors shall hold a regular meeting quarterly. A schedule of regular meetings shall be sent to Owners by January 1 of each year.

Section 7. Special meetings. Special meetings of the Board of Directors may be called by the President or any two Directors.

Section 8. Notice of Meetings. Notice of regular meetings of the Board of Directors for the coming year shall be given by any usual means of communication no later than January 1st of each year. The person or persons calling a special meeting of the Board of Directors shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice shall specify the purpose for which the meeting is called.

Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called.

Section 9. Informal Action by Directors. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

ARTICLE IV - OFFICERS

Section 1. Officers. The officers of the Association shall consist of President, Secretary and Treasurer and other officers as the Board of Directors may from time to time elect. Any two or more offices may be held by the same person, except the office of President and Treasurer.

Section 2. Election and Term. Officers shall be elected at the annual meeting of the Board of Directors by the Board of Directors. Officers shall be members of the Board of Directors or members of the Association who are not members of the Board of Directors.

Section 3. Vacancy. Any vacancy occurring shall be filled by the Board of Directors at a special meeting duly called for such purpose. Substitute officers shall serve the remaining term thereof.

Section 4. President. The President shall preside at all meetings and appoint committees as deemed necessary. The President shall be principal executive officer of the Association and, subject to control of the Board of Directors, shall supervise the control and management of the Association in accordance with these Bylaws and the Declaration.

Section 5. Treasurer. The Treasurer shall: (a) have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse the same under the direction of the Board of Directors; and (b) keep full and accurate accounts of the finances of the Association in digital format and provide a true statement of its assets and liabilities as of the close of each fiscal year, and of the results of its operations and changes in surplus for such fiscal year, all in reasonable detail, to be made and filed at the registered or principal office of the Association within four months after the end of such fiscal year. Such reports shall be made available to Association members. Financial statements shall be kept available for inspection by any Owner for a period of 10 years, and the Treasurer shall mail or otherwise deliver a copy of the latest statement to any Owner upon his/her written request. The Treasurer shall, in general, perform all duties related to his/her office and such other duties as may be assigned to him/her from time to time by the President or by the Board of Directors.

Section 6. Secretary. The Secretary shall: (a) keep accurate records of the acts and proceedings of all meetings of directors; (b) give all notices required by law and by these Bylaws; (c) have general charge of the Association records, except financial records, and of the corporate seal of the Association and shall affix the corporate seal to any lawfully executed instrument requiring it. The Secretary shall, in general, perform all duties related to his/her office and such other duties as may be assigned to him/her from time to time by the President or by the Board of Directors.

ARTICLE V-BUDGET, CONTRACTS, LOANS, CHECKS, DEPOSITS

Section 1. Annual Budget. The Board of Directors shall submit to the membership for adoption an Annual Budget for the next fiscal year no later than the November Board of Directors meeting.

Section 2. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the Association, and such authority may be general or confined to specific instances.

Section 3. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 4. Checks and Drafts. All checks, drafts or other orders for the payment of money issued in the name of the Association shall be signed by the Treasurer and President. The Secretary shall be the second signer if one of the primary signers is not available.

Section 5. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association, in accordance with accepted accounting practice, in such depositories as the Board of Directors shall direct.

ARTICLE VI - INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify every officer and director against any and all expenses, including legal fees, reasonably incurred by or imposed upon such officer or director in connection with any action, suit, or other proceeding (including settlement of any such action, suit or proceeding, if approved by the Board of Directors) to which he or she may be made a party by reason of being or having been an officer or director, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance or malfeasance. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association and the Association shall indemnify and forever hold each such officer and director free and

harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director may be entitled. The Association shall, as a common expense, maintain adequate general liability/property and officers' and directors' liability insurance to fund the obligation of the Association described in this Article.

ARTICLE VII-GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Association shall consist of a circular seal bearing the name of the Association and such seal is hereby adopted as the corporate seal of the Association.

Section 2. Waiver of Notice. Whenever any notice is required to be given to any director under the provisions of the North Carolina Nonprofit Association Act or under the provisions of the charter or Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Fiscal Year. Unless otherwise ordered by the Board of Directors, the fiscal year of the Association shall be from January 1 to December 31.

Section 4. Annual Financial Report. The annual financial report as submitted by the Treasurer is not required to be compiled, reviewed or audited.

Section 5. Amendments. These Bylaws may be amended or repealed and new Bylaws may be adopted by the affirmative vote of a majority of the Directors then holding office at any regular or special meeting of the Board of Directors.