

**BYLAWS
OF
FRENCH BROAD PLACE OWNERS ASSOCIATION**

**ARTICLE I.
BUSINESS ADDRESS**

The business address of French Broad Place Owners Association (the "Association") shall be P.O. Box _____, Brevard, North Carolina 28712. The business address may be changed by the Board of Directors of the Association.

**ARTICLE II.
MEMBERSHIP IN THE ASSOCIATION**

Every person or entity who is a record owner of a fee or undivided fee interest in any of the units in French Broad Place Condominiums ("the Condominium"), located in Transylvania County, North Carolina, shall be a member of the Association. Ownership of such interest shall be the sole qualification for membership, and membership shall be appurtenant to and may not be separated from such ownership.

**ARTICLE III.
PURPOSES OF THE ASSOCIATION**

The purposes and duties of the Association shall be:

- A. To manage the Condominium pursuant to the provisions of Article 3 of Chapter 47C of the North Carolina General Statutes, these Bylaws, any Rules and Regulations promulgated by the Association or its Board of Directors and the Declaration of Condominium of record at Document Book _____, Page _____, Transylvania County Registry, as the same may be amended ("the Declaration");
- B. To enforce the provisions of these Bylaws, the Declaration, and any Rules and Regulations promulgated by the Association or its Board of Directors;
- C. To promote and protect the enjoyment and beneficial use and ownership of all of the units of the Condominium ("the Units").

No part of the net earnings of the Association shall inure to the benefit of its members, the members of its Board of Directors or its officers, or to any other person, except that the Association is authorized to pay reasonable compensation for services rendered and to make payments in furtherance of the above stated purposes.

ARTICLE IV. ASSESSMENTS

The Association shall collect assessments against the Units as stated in the Declaration and as provided in Chapter 47C of the North Carolina General Statutes.

ARTICLE V. MEETINGS OF MEMBERS

Section 1. Place of Meetings. All meetings of members shall be held at such place in Transylvania County, North Carolina, as shall be designated on the notice of the meeting or agreed upon by a majority of the members entitled to vote.

Section 2. Annual Meetings. The annual meeting of the members shall be held during the last seven days of September of each year on any day during that period as determined by the Board of Directors, for the following purposes:

1. to ratify or reject the summary of the proposed budget submitted by the Board of Directors pursuant to Article VI below;
2. to elect the Board of Directors of the Association (subject to the provisions of Section 8 of the Declaration) for the coming fiscal year; and
3. to transact any other business that may come before the membership, including but not limited to the adoption, modification and/or repeal of any Rules and Regulations governing the Condominium.

Section 3. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article V. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. Special Meetings. Special meetings of the members may be called at any time by the President or the Board of Directors of the Association, or upon the written request of not less than twenty percent (20%) of the members.

Section 5. Notice of Meetings. Written notice of the meeting shall be delivered not less than ten nor more than forty days before the date of any members' meeting, personally, by fax or e-mail, or by mail, to each member of record. The notice shall state the time and place of the meeting and shall also state the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes and any proposal to remove a Director. If mailed, it shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at the address as it appears on the record of members of the Association, with postage prepaid. It shall be the responsibility of the individual members to keep the Secretary informed of their current addresses. In the absence of instructions from an individual member as to an address, the Secretary shall be entitled to rely on the most recent records of the Transylvania County Tax Collector to determine the address of the owner of a Unit. The notice of meeting must state the time and place of the meeting and all items on the agenda for the meeting.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 6. Voting Rights. On matters of the Association's business submitted to vote of the membership, there shall be one vote per Unit, regardless of the number of owners of a Unit. At any meeting of members, twenty percent of the Units (represented either in person or by proxy) shall constitute a quorum for the purposes of submitting any matter to a vote. Except as otherwise provided by the Declaration, Chapter 47C of the North Carolina General Statutes, or these Bylaws, all matters submitted to a vote at any meeting held in accordance with these Bylaws shall be decided by a simple majority of the total votes cast.

Section 7. Voting by Proxy. Votes may be cast either in person or by one or more agents authorized by a dated, written proxy executed by the member or his/her attorney-in-fact. A proxy terminates one year after its date, unless it specifies a shorter term. Any form of proxy which is sufficient in law may be used, but the following form of proxy shall be deemed sufficient:

The undersigned appoints _____ their proxy for the sole purpose of casting the vote allocated to Unit __, on all matters submitted to vote at the meeting of owners of French Broad Place Condominiums, to be held on _____, _____. The undersigned ratify and confirm all such votes cast on behalf of the Unit at the meeting.

This the _____ day of _____, _____.

Section 8. Voting List. At least ten days before each meeting of members, the Secretary of the Association shall prepare a list of the members entitled to vote at the

meeting, with the address of each, which list shall be kept on file with the book of records of the Association. This list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any members during the meeting.

Section 9. Waiver of Notice. Any member may waive notice of any meeting. The attendance by a member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VI. BOARD OF DIRECTORS

Section 1. Purpose, Number and Term of Office. The business and affairs of the Association shall be managed by a Board of Directors of four individuals, who shall be entitled to act on behalf of the Association. The Board of Directors shall initially consist of the initial members of the Board of Directors as named in the Articles of Incorporation of the Association. Subsequently, the Board of Directors shall be appointed by the Declarant until such time as the period of Declarant control of the Association has terminated pursuant to the provisions of the Declaration. At the first meeting of the membership of the Association following the termination of the period of Declarant control of the Association, the members of the Board of Directors shall be elected by the membership of the Association and those persons who receive the highest number of votes at a meeting at which a quorum is present shall be elected. Two Directors shall be elected by the Residential Units, and two by the Commercial Units. Each member of the Board of Directors shall hold office until death, disability, resignation or removal, or until the expiration of the term and the election of a successor. Directors do not need to be unit owners.

Section 2. Powers and Duties. The Board of Directors shall have the power and the duty to act on behalf of the Association in all instances, except that the Board may not amend the Declaration, terminate the condominium, elect members of the Board (except to fill any vacancy in its membership for the unexpired portion of a term) or determine the qualifications, powers, duties or terms of office of members of the Board. In addition the Board of Directors shall have the following specific powers, duties and responsibilities:

A. The Board will keep a complete record of all of its acts and all affairs of the Association and make the same reasonably available for examination by any member, his agents or mortgagees.

B. The Board will adopt a proposed budget for the Association to be approved or rejected by the membership of the Association at its Annual Meeting. The proposed budget shall be adopted at a meeting of the Board to be held not more than

sixty days before the Annual Meeting of the membership of the Association. A summary of the proposed budget, including the amount of any proposed assessments against the Units, shall be mailed to the membership with notice of the annual meeting. The proposed budget shall be deemed ratified unless at the meeting more than fifty percent (50%) of the Units existing at that time vote to reject it. In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until the membership ratifies a budget subsequently proposed by the Board of Directors.

C. The Board may fine any unit owner an amount not to exceed \$150 for any single violation of the Declaration, these Bylaws or any Rules and Regulations promulgated by the Board. In such event, the Board shall provide the unit owner fined an opportunity to be heard before an Adjudicatory Panel to be appointed by the Board pursuant to Article X below. Multiple fines may be assessed against any unit owner for multiple violations. Any such fines shall be deemed assessments against the unit of such owner, and shall be collectable as provided in the Declaration.

D. The Board may contract a management agent to perform and execute such duties, functions and responsibilities of the Board as the Board may deem appropriate.

The Board of Directors is authorized, on behalf of the Association, to submit any dispute with or claim against an owner of any Unit to voluntary arbitration or mediation pursuant to any program then in effect in Transylvania County, North Carolina.

Section 3. Removal of Directors. Any director may be removed at any time with or without cause by a vote of at least sixty-seven percent of all members present and entitled to vote at any meeting of the membership of the Association at which a quorum is present.

Section 4. Vacancies. In the event of the death, disability, resignation or removal of a director, a successor shall be selected and appointed by the remaining members of the Board of Directors to serve until the next meeting of the membership of the Association or until a successor is appointed by the Declarant if such vacancy is the result of the death, disability, resignation or removal of an initial director or a director who was appointed by the Declarant.

ARTICLE VII. MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Called Meetings. Meetings of the Board of Directors may be called by or at the request of the President or any two directors.

Section 2. Notice of Meeting. The person or persons calling a meeting of the Board of Directors shall, at least ten days before the meeting, give notice by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 3. Waiver of Notice. Any member of the Board of Directors may waive notice of any meeting. The attendance by a member of the Board of Directors at a meeting shall constitute a waiver of notice of such meeting, except where a member of the Board of Directors attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. A majority of the number of the members of the Board of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the members of the Board of Directors.

Section 5. Manner of Acting. Except as otherwise provided in these Bylaws, the act of the majority of the members of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6. Informal Action by Members of the Board of Directors. Action taken by a majority of the members of the Board of Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the members of the Board of Directors and filed in the book of records of the Association, whether done before or after the action so taken.

Section 7. Committees of the Board. The Board of Directors may establish either standing or ad hoc committees of the members to assist it in its work. Such committees shall be chaired by a member of the Board of Directors.

ARTICLE VIII OFFICERS

Section 1. Designation. The officers of the Association shall consist of a President, Vice President, a Secretary, and a Treasurer, and such other officers as the membership may from time to time elect. The offices of Secretary and Treasurer may be held by the same person; otherwise, no two offices may be held by the same person.

Section 2. Election and Term. The initial officers of the Association shall be elected by the initial members of the Board of Directors of the Association. Subsequently, the officers of the Association shall be appointed by the Board of Directors. Members of the Board shall be eligible for appointment to serve as officers of the Association. The officers shall be appointed to one-year terms, and each officer shall hold office until death, disability, resignation or removal, or until the appointment of a successor.

Section 3. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the members, and shall sign any contracts, or

other instruments which the Board of Directors has authorized to be executed. In general the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors. The President or the Secretary shall execute any amendments to the Declaration approved by the membership of the Association.

Section 4. Vice President. The Vice President shall assume all duties of the President when the President is not available.

Section 5. Secretary. The Secretary shall: (a) keep minutes of the meetings of members, of the Board of Directors and of all Executive Committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records of the Association; (d) be authorized to certify and oversee the recordation of amendments to the Declaration on behalf of the Association; (e) keep a register of the post office address of each member; and (f) in general perform all duties incident to the office of Secretary and such other duties as may be assigned by the President or by the Board of Directors.

Section 6. Treasurer. The Treasurer shall: (a) have custody of all funds and securities of the Association; (b) receive and give receipts for moneys payable to the Association, and deposit all such moneys in the name of the Association in such depositories as shall be selected by the Board (c) prepare, execute and deliver certificates of Assessments as provided in the Declaration; and (d) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

ARTICLE IX. CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of the Association, and such authority may be general or confined to specific instances.

Section 2. 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 the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. 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 President or the Treasurer of the Association.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select.

ARTICLE X ADJUDICATORY PANEL

Section 1. Appointment of Adjudicatory Panel. The Board of Directors shall, not less than annually, appoint an Adjudicatory Panel of five individuals, all of whom shall be residents of the condominium. Members of the Board shall be eligible to serve as members of the Adjudicatory Panel. Members of the Panel shall be appointed to one-year terms, and each member shall sit until death, disability, resignation or removal, or until the expiration of the term and the appointment of a successor.

Section 2. Hearings. In the event that a fine is assessed against a unit owner by the Board of Directors pursuant to Subsection 2(C) Article VI above, the Adjudicatory Panel shall provide to the unit owner so fined notice of the violation and an opportunity to be heard regarding the alleged violation and the assessed fine. If within ten days of receipt of the notice the unit owner requests in writing a hearing, the Adjudicatory Panel shall hear the matter within twenty days of the date of the written request. Three members of the Panel shall constitute a quorum for the purpose of conducting a hearing. Following such a hearing, the Adjudicatory Panel shall confirm, deny or modify the fine imposed by the Board and shall notify the unit owner of its decision. The decision of the Panel with regard to the fine shall be final.

ARTICLE XI. INDEMNIFICATION

Any person who at any time serves or has served as an officer, member of the Board of Directors or member of the Adjudicatory Panel of the Association shall have a right to be indemnified by the Association to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitral action, suit, or proceeding (and any appeal), whether or not brought by or on behalf of the Association, and (b) reasonable payments made in satisfaction of any judgment, money decree, fine, penalty or settlement for which the person may have become liable in any such action, suit or proceeding.

Upon request for payment, the President of the Association shall promptly call a special meeting of the Board of Directors to obtain approval to pay the indemnification required by this bylaw. Such approval may be general or confined to specific instances, and shall not be unreasonably withheld.

Any person who at any time after the adoption of this bylaw serves or has served as an officer, member of the Board of Directors and/or member of the Adjudicatory Panel of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, this right of indemnification. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this bylaw.

ARTICLE XII.
DISSOLUTION

In the event of dissolution of the Association, the residual assets of the Association will be distributed to a nonprofit organization with purposes similar to those of the Association, or to any other organization eligible under the provisions of Chapter 55A of the General Statutes of North Carolina. However, in no event shall the residual assets of the Association be distributed in a fashion that terminates the Association's exempt status under Section 528 of the Internal Revenue Code of 1986 or any corresponding sections or provisions of any future United States Internal Revenue law.

ARTICLE XIII.
SECTION 528 STATUS

The Association shall elect and shall be managed in such fashion as to maintain tax-exempt status under Section 528 of the Internal Revenue Code of 1986. The Association shall not carry on any activities prohibited by an Association electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law.

ARTICLE XIV.
GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Association shall consist of two concentric circles, in the center of which is inscribed SEAL.

Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 3. Amendments. Following the termination of the initial period of Declarant control provided for in the Declaration, the members of the Association may amend these Bylaws, repeal these Bylaws or adopt new Bylaws by the vote of at least sixty-seven percent of all existing Units at any meeting of the membership of the Association properly held and conducted.

Section 4. Conflicts. In the event of any conflict between the provisions of these Bylaws and the provisions of the Declaration, the provisions of the Declaration shall control.

Section 5. References to Statutes. All references to any statutory provision shall be construed to include any subsequent amendments to or replacements of such provisions.

The foregoing instrument, consisting of 10 pages, is hereby approved, accepted and adopted by the undersigned as the Bylaws of French Broad Place Condominium Owners Association.

In witness whereof, the initial members of the Board of Directors of the Association have set their hands and seals, effective the __ day of _____, 2008

_____(SEAL)

_____(SEAL)

_____(SEAL)
