

AMENDED AND RESTATED BYLAWS

OF

**LOOKOUT RIVERWALK
HOMEOWNERS ASSOCIATION, INC.**

THIS Amended and Restated Bylaws is made and entered into as of this ___ day of _____, 2009, by and between the Members whose signatures appear on the signature page hereof.

RECITALS:

WHEREAS, purportedly Bylaws were created for Lookout Riverwalk Homeowners Association, Inc.; and

WHEREAS, the original Bylaws are lost or cannot be located; and

WHEREAS, the Members desire to amend and restate the Bylaws as set forth herein; and

WHEREAS, this Amended and Restated Bylaws supersedes and replaces the previous Bylaws and all amendments thereto through the date hereof;

NOW THEREFORE, the Members agree as follows:

**ARTICLE I
NAME, MEMBERSHIP,
APPLICABILITY, AND DEFINITIONS**

1.1 Name. The name of the Association shall be **LOOKOUT RIVERWALK HOMEOWNERS ASSOCIATION, INC.** (hereinafter sometimes referred to as the "Association").

1.2 Membership. All Owners, as that term is defined in the declaration of Covenants, Conditions and Restrictions of RiverWalk Subdivision dated April 10, 1995 (the "Declaration"), shall be members of the Association, and the terms of the above referenced Declaration which pertain to membership are incorporated herein by reference. These Bylaws are incorporated by reference into the Declaration.

1.3 Applicability of Bylaws. The provisions of these Bylaws are applicable to all real estate located within RiverWalk Subdivision as is depicted in Plat Book 25 at Pages 51, 52, 53, 54, 55 and 56 of the Iredell County Public Registry and Map Number G-13, of the Alexander County Public Registry (collectively the "Property", with the individual lots therein being referred to as "Lots"), and to the use and occupancy thereof including all additional phases which may be added thereto.

1.4 Persons Bound. All present and future owners, mortgagees, lessees and occupants of Lots and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these Bylaws and Rules and Regulations made pursuant hereto, and any amendment to these Bylaws or the Declaration upon the same being passed and recorded in the manner set forth in the Declaration. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Lot or the improvements thereon shall constitute an agreement that these Bylaws (and any Rules and Regulations made pursuant hereto) and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

1.5 Definitions. The words, phrases and terms listed in these Bylaws shall have the meanings as set forth in the Declaration, unless the context clearly indicates a different meaning therefore.

ARTICLE II **Association, Meetings, Voting, Proxies**

2.1 Place of Meetings. All meetings of the Association shall be held at the Property as shall be designated in a notice of the meeting.

2.2 Annual Meeting. An annual meeting of the Owners shall be held on October 31, at 2:00 p.m. of each year or at such time as determined by a majority of the Board, for the purpose of electing members of the Board and for the transaction of such other business as may be properly brought before the meeting.

2.3 Special Meetings. Special meetings of the Owners may be called at any time by a majority of the Board, or upon the written request of the Owners owning at least 20% of the Lots.

2.4 Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting shall be delivered or mailed not less than 10 days nor more than 50 days prior to the date thereof by postage prepaid mail, at the direction of the Board or Owners calling the meeting, to each person entitled to vote at such meeting.

The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, and budget changes, and any proposal to remove Board members or officers.

2.5 Quorum. For election of the Board, the presence in person or by proxy at any meeting of the Voting Members (as defined in Section 2.6 of this Article) having 50% of the total votes which may be cast shall constitute a quorum. If there is no quorum at the opening of the meeting of Owners, such meeting may be adjourned from time to time by the vote of a majority of the Voting Members present, either in person or by proxy; and at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

The Voting Members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Voting Members to leave less than a quorum.

2.6 Voting Rights. There shall be one person, with respect to each Lot ownership, who shall be entitled to vote at any meeting of the Owners (the "Voting Member"). The Voting Member may be the Owner, or one of a group composed of all of the Owners of a Lot, or may be some other person designated by such Owner(s) to act as proxy on his or their behalf, and who need not be an Owner. Each Owner or group of Owners shall be entitled to one vote for each Lot owned provided all Association dues are current. No votes allocated to a Lot or Lots owned by the Association may be cast.

2.7 Majority Vote. The vote of a majority of the votes cast by the Voting Members present at a meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where a higher percentage vote is required by the Declaration, these Bylaws or by law.

2.8 Proxies. The Voting Members may vote either in person or by agents duly authorized by written proxy executed by such Owner or his duly authorized attorney-in-fact. A proxy shall be valid only for the particular meeting designated therein, unless the person executing it specifies therein the length of time for which it is to continue in force, which time shall not extend beyond one year from the date of its execution. Unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be dated and filed with the Secretary or duly acting Secretary of the Association, either during or prior to the meeting in question. A proxy is void if it is not dated.

2.9 Waiver of Notice. The Voting Member may, at any time, waive notice of any meeting of the Association in writing, and such waiver shall be deemed to be equivalent to the giving of such notice. Attendance by a Voting Member at any meeting of the Association shall constitute a waiver of notice by him of the time and place thereof, except where a Voting Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

2.10 Informal Action by Owners. Any action which may be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed all of the Voting Members and then filed with the Secretary of the Association to be kept in the Association's minute book.

ARTICLE III **EXECUTIVE BOARD**

3.1 Number. The business and property of the Association shall be managed and directed by the Executive Board of Directors (the "Board"), composed of five persons, or by such executive committees as the Board may establish pursuant to the Bylaws. The size of

the Board may be increased or decreased from time to time upon affirmative vote of three-fourths of all Owners, provided that said Board shall not be less than three in number.

3.2 Election. Except as provided herein, the Directors shall be elected at the annual meeting of the Association, and those persons who receive the highest number of votes shall be deemed to have been elected.

3.3 Term and Qualification. Each Director shall hold office for the term for which he was elected, or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified. At the first meeting of the Association, the directors of the Board shall be divided into two classes, the first class to consist of two Directors, the second class to consist of three Directors. The Directors of the first class shall initially hold office for a term of two years, and the directors of the second class shall initially hold office for a term of three years. At all annual elections thereafter, a number of directors shall be elected by the Voting Members to succeed those directors whose terms then expire. Each such director shall serve for a two-year term. Nothing herein contained shall be construed to prevent the election of a director to succeed himself. Each Director must be an individual and shall be an Owners or co-owner of a Lot.

3.4 Removal. Directors may be removed from office with or without cause by the affirmative vote of at least two-thirds (2/3) of the Voting Members.

3.5 Vacancies. A vacancy occurring in the Board may be filled by a majority of the remaining Directors or by the sole remaining director.

3.6 Compensation. The Board shall receive no compensation for their services unless expressly allowed by the Board at the direction of the Owners having two-thirds of the total votes.

3.7 Committees. The Board may create such other committees as it deems necessary and appropriate in aiding the Board to carry out its duties and responsibilities with respect to the management of the Association and Property.

3.8 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and Property, and may do all such acts and things, except such acts as by law or the Declaration or by these Bylaws may not be delegated to the Board. Such powers and duties of the Board shall include, but shall not be limited to, the following:

(a) Determining the Common Expenses required for the affairs of the Association and Property, including, without limitation, community events, the operation and maintenance of the Property.

(b) Collecting the Common Expenses from the Owners.

(c) Supervising the operation, care, upkeep and maintenance of the Common Areas.

(d) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Areas.

(e) Adopting and amending such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety, and general welfare of the owners and occupants of the Property. Written notice of such rules and regulations shall be given to all Owners and occupants, and the entire Property shall at all times be maintained subject to such rules and regulations.

(f) Opening bank accounts on behalf of the Association and Property and designating the signatories required therefore.

(g) Selling, mortgaging, voting the votes appurtenant to, or otherwise dealing with Lots acquired by the Association, or its designee, corporate or otherwise, on behalf of all Owners, subject to the Declaration and other applicable restrictions, and organizing corporations to act as designees of the Board in acquiring title to Lots on behalf of all Owners.

(h) Maintaining and repairing any Lot, if such maintenance or repair is necessary in the discretion of the Board or by operation of applicable restrictions to protect the common Areas or any other portion of the Property, and a Owner has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered or mailed by the Board to said Owner; provided, however, that the Board shall levy a specific assessment against such Owner for the costs of said maintenance or repair, including a reasonable amount for supervision.

(i) Entering any Lot when necessary in connection with any maintenance or construction for which the Board is responsible; provided that, except in the event of emergencies, such entry shall be made during reasonable hours with as little inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Board, with such expenses being treated as a Common Expense.

(j) Signing all agreements, contracts, deeds, and vouchers for the payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board; provided, however, that any contracts or leases executed on behalf of the Association prior to the passage of control of the Board to the Association must be terminable by the Association without penalty on not less than 90 days written notice. In the absence of such determination by the Board, such document shall be signed by the Treasurer and countersigned by the President.

(k) Obtaining insurance for the property, pursuant to the applicable provisions of the Declaration.

(l) Making or contracting for repairs, additions, and improvements to, or alterations or restorations of, the Property in accordance with the other provisions of these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceeding.

(m) Contracting for all goods, services and insurance, payment for which is to be made from the Common Expense fund.

(n) Instituting, defending, or intervening in litigation or administrative proceeding in the name of or on behalf of the Association or two or more Owners on matters affecting the Property.

(o) Borrowing money on behalf of the Association, when required in connection with the operation, care, upkeep, and maintenance of the Common Areas; provided, however, that the consent of the Owners of at least two-thirds of the Lots represented at a meeting at which a quorum has been attained in accordance with the provisions of these Bylaws shall be required for the borrowing of any sum in excess of \$5,000.00.

(p) Imposing charges for late payment of assessments and, after notice and an opportunity to be heard, levying reasonable fines for violations of the Declaration, the Bylaws, or rules and regulations established by the Association, all in accordance with state law.

(q) At its discretion, authorizing Owners or other persons to use portions of the Common Areas for private parties and gatherings and imposing reasonable charges for such private use.

(r) Exercising (i) all powers specifically set forth in the Declaration, the Articles of Incorporation, and these Bylaws, (ii) all powers incidental thereto, and (iii) all other powers of a non-profit North Carolina corporation.

3.9 Managing Agent. The Board may engage the service of any person, firm, or corporation to act as managing agent at a compensation established by the Board, to perform such duties and services as the Board shall authorize, other than the powers set forth in subdivisions (a), (e), (g), (h), (i), (p), (q), and (r) of Section 3.8 of this Article III. Any management agreement for the Property shall be terminable by either party without cause and without payment of a termination fee or penalty upon 90 days or more written notice thereof and the terms of such agreement may not exceed one year, renewable by agreement of the parties for successive one year periods. Any management agreement shall be terminable by either party for cause upon the giving of not less than 30 days written notice. When professional management has been previously utilized, any decision to establish self-management by the Association shall require the prior consent of two-thirds (2/3) of the Owners.

ARTICLE IV **MEETINGS OF DIRECTORS**

4.1 Organizational Meeting. The first meeting of the initial Board designated in these Bylaws shall be held within 15 days following the meeting of the Owners at which the Board was elected. No notice shall be necessary to the newly elected members of the Board in order to legally constitute such meeting, provided that a quorum is present.

4.2 Regular Meeting. A regular meeting of the board may be held immediately after the annual meeting or substitute annual meeting of the Owners. In addition, the Board may provide by resolution the time and place, such meetings shall be held on the Property.

4.3 Special Meetings. Special meetings of the Board may be called by the President, or by any two directors. Such meetings shall be held on the Property.

4.4 Notice of Meetings. Regular meetings of the Board may be held without notice. The person(s) who called a special meeting of directors shall, at least two days prior to said meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

4.5 Waiver of Notice. Any member of the board may at any time waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall constitute a waiver of notice of such meeting except where a member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called and he does so object.

4.6 Quorum. A majority of the number of Directors fixed by these Bylaws shall be required for and constitute a quorum for the transaction of business at any meeting of the Board. The Directors at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

4.7 Manner of Acting. Except as otherwise provided in this Article, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. A vote of a majority of the number of Directors fixed by these Bylaws shall be required to adopt a resolution constituting an executive committee.

4.8 Organization. Each meeting of the Board shall be presided over by the President, and in the absence of the President, by any person selected to preside by vote of the majority of the Board members present. The Secretary, or in his absence, an Assistant Secretary, or in the absence of both the Secretary and the Assistant Secretary, any person designated by the President of the meeting shall act as secretary of the meeting.

4.9 Informal Action of Board. 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 of the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

4.10 Minutes. The board shall keep minutes of its proceedings, which shall be available for inspection by the Owners during reasonable business hours.

4.11 Liability of the Board and Officers. The Directors and the officers provided for in Article V hereof shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Directors and the officers against all contractual liability to others arising out of contracts made by the Board or the officers on behalf of the Association or Property, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the Directors or any officer shall not have personal liability with respect to any contract made by them on behalf of the Association or Property, except to the extent that they are the Owner arising out of any contract made by the Board or the officers, or out of the aforesaid indemnity in favor of the directors or the officers, shall be limited to such proportion of the total liability thereunder as his interest in the Common Areas bears to the interests of all the Owners in the Common Areas. Every agreement made by the Board, by the managing agent or by the officers on behalf of the Association or Property shall provide that the members of the Board, the managing agent or the officers, as the case may be, are acting only as agents for the Owners, and shall have no personal liability thereunder.

4.12 Attendance of Owners. Regular meetings of the Board shall be open to Owners. The Board retains the right to close portions of any meeting.

ARTICLE V **OFFICERS**

5.1 President of the Board. The President of the Board shall be the principal executive officer of the Association and Property and, subject to the control of the Board, shall supervise and control the management of the Association and Property. The President shall, when present, preside at all meetings of the Board and of the Owners and, in general, shall perform all duties incident to the office of President of the Board, including the preparation, execution, certification, and recordation, with the Secretary, of amendments to the Declaration on behalf of the Association, and such other duties as may be prescribed from time to time by the Board.

5.2 Vice President. The Vice President, and if there be more than one, the Vice Chairmen, designated by the Board, shall, in the absence or disability of the President, have the powers and perform the duties of said office. In addition, each Vice President shall perform such other duties and have such other powers as shall be prescribed by the President of the Board or by the Board.

5.3 Secretary. The secretary shall keep accurate records of the acts and proceedings of all meetings of the Owners and Directors. He shall give, or cause to be given, all notices required by law and by these Bylaws. He shall have general charge of the minute books and records of both the Association and the Board. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of

secretary, including the preparation, execution, certification, and recordation, with the President, of amendments to the Declaration on behalf of the Association, and such other duties as may be assigned him from time to time by the President of the Board or by the Board.

5.4 Treasurer. The treasurer shall have custody of all Association and Property funds and securities, and shall receive, deposit or disburse the same under the direction of the Board. He shall keep full and accurate accounts of the finances of the Association and Property in books especially provided for that purpose. He shall cause 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 each fiscal year, all in reasonable detail, to be prepared and distributed to all Owners and members of the Board on or before the 15th day of the second month following the close of each fiscal year. The statements so filed shall be kept available for inspection by any Owner for a period of three years. The Treasurer shall also prepare and file all reports and returns required by federal, state or local law, and shall perform all other duties as may be assigned to him from time to time by the President of the Board or by the Board.

5.5 Board Member at Large. The Board Member at Large, if any, shall, in the absence of the Secretary and Treasurer, respectively, have all the powers and perform all of the duties of those officers, and they shall perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President of the Board or by the Board.

ARTICLE VI

OPERATION OF THE PROPERTY

6.1 Assessment and Determination of Common Expenses. The Board shall from time to time, and at least annually, prepare a budget for the Association and Property, for the purpose of determining the amount of the Annual Assessments to be collected from the Owners in order to provide for the Common Expenses of the Property, and allocate and assess such Common Expenses among the Lots and the Owners, as set forth in the Declaration, taking into consideration any expected income and any surplus from the prior year's operations. The "Common Expenses" shall include, without limitation: the expenses, costs, and charges incurred in connection with the administration, operation and management of the Association and Property; the cost of maintenance, repair, replacement and restoration of the Common Areas, or any part thereof, and community events; the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the provisions of the Declaration; such amounts as the Board may deem proper for the convenience, comfort and well-being of the Owners, and for the operation, management and maintenance of the Property, including, without limitation, an amount for working capital of the Association, for a general operating reserve, for a reserve fund for replacement or improvement to the Common Areas the Association is obligated to maintain, and to make up any deficit in the Common Expenses for any prior year; in proper cases, the cost of administration and of maintenance and repair of the Common Areas; and any other expenses lawfully agreed upon.

In establishing a reserve fund for replacements, the Board shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall then set the required capital contribution in an amount sufficient to permit meeting by equal annual installments over the applicable period the projected capital needs of the Association with respect to both amount and timing.

6.2 Payment of Annual Assessments. All Owners shall be obligated to pay (a) Annual Assessments of Common Expenses determined and assessed by the Board pursuant to Section 6.1; (b) special assessments to be established and collected as provided herein, and (c) specific assessments against any Lot which are established pursuant to the terms of these Bylaws. Annual Assessments shall be due and payable as set forth in the Declaration. A late payment charge in an amount to be determined by the Board shall be assessed as set forth in the Declaration. Any assessment not paid shall be subject to the late payment charge and interest, shall constitute a lien on the Lot as provided in Section 6.4

No Owner shall be liable for the payment of any part of the Common Expenses assessed against his Lot subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions or record) of such Lot, together with his interest in the Common Areas. A purchaser of a Lot shall be jointly and severally liable with the seller for the payment of Assessments assessed against such Lot prior to the acquisition by the purchaser of such Lot only if the purchaser expressly assumes such obligation in writing; provided, however the lien assessed against such Lot shall remain in full force and effect. Any such purchaser shall be entitled to a statement from the Board setting forth the amount of the unpaid Assessments against the seller, and the Lot conveyed shall not be subject to a lien for any unpaid assessment in excess of the amount shown on the statement. Provided, however, that an Institutional Lender or other purchaser of a Lot at a foreclosure sale of such Lot or an Institutional Lender who takes a deed in lieu of foreclosure shall not be liable for, and such Lot shall not be subject to, a lien for the payment of Common Expenses assessed prior to the foreclosure sale or deed in lieu of foreclosure. Such unpaid Common Expenses shall be deemed to be Common Expenses collectible from all of the Lot Owners, including such purchaser, his successors and assigns.

6.3 Special Assessments. The Association may levy Special Assessments for Common Expenses not covered by the Annual Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, provided that any such Assessment shall have the assent of two-thirds of the Voting Members at a meeting duly called for this purpose. Such Special Assessments shall be charged to the Lots accordingly. In addition, the Board may levy Special Assessments against one or more, but less than all of the Lots to cover repairs or maintenance for which such Owner or Owners are responsible and which they have failed to make, or for repairs or maintenance required of a Owner or Owners which impair the value of the Common Areas or the Lot or Lots, or expenses which are incurred in the abatement of or as a result of a violation by a Owner or Owners of the provisions of the Declaration, the Bylaws or the Rules and Regulations, or for fines levied for said violation, or where the Board

has purchased a Lot on behalf of one or more Owners. The period of assessment and manner of payment of such assessment shall be determined by the Board.

6.4 Lien and Personal Obligation. Each Assessment provided for in this Article, together with late payment charges, interest and expenses, including attorneys' fees (as permitted by law), shall be a charge on and a continuing lien upon the Lot against which the Assessment is made when a notice of such lien has been filed of record in the office of the Clerk of Superior Court of Iredell County, North Carolina or the Clerk of Superior Court of Alexander County, North Carolina, in the manner provided by Article 8, Chapter 44, of the North Carolina General Statutes, provided such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of 30 days after the same shall become due. Said notice of lien shall also secure all Assessments against the Lot becoming due thereafter until the lien has been satisfied. Said lien may be foreclosed in the manner as a deed of trust on real property. In addition, each Owner shall be personally liable for any Assessment against his Lot becoming due and payable while he is the Owner of such Lot.

6.5 Priority of Assessment Lien. The lien of the Assessments provided for in this Article shall be prior and superior to all other liens except (a) ad valorem taxes and (b) all sums unpaid on deeds of trust, mortgages or other encumbrances against the Lot prior to the docketing of the Assessment lien. The sale or transfer of any Lot shall not affect the Assessment lien against such Lot. Provided, however, the sale of a Lot pursuant to the foreclosure sale or execution sale instituted by a superior lien holder or conveyance to Institutional Lenders by deed in lieu of foreclosure shall extinguish the inferior Assessment lien against the subject Lot but no such sale or transfer shall relieve each Lot from liability for any Assessments thereafter becoming due on for any future lien in connection therewith. The Association shall share in the excess, if any, realized by the sale of any Lot pursuant to a foreclosure or action instituted by a superior lien holder, to the extent of its lien.

6.6 Owner's Non-Use. No Owner may exempt himself from liability for Assessments and his other obligations to the Association by waiver of the use or enjoyment of any portion of the Common Areas or by the abandonment or sale of his Lot.

6.7 Foreclosure of Liens for Unpaid Assessments. The board, acting on behalf of the Association, or on behalf of any one or more individual Owners, if so instructed, shall have the power to purchase such Lot at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same, subject, however, to applicable restrictions of record. A suit to recover a money judgment for unpaid Assessments shall be maintainable without foreclosure or waiver of the Assessment lien. Where an Institutional Lender or the purchaser of a Lot obtains title to the Lot as a result of foreclosure of a Mortgage, such purchaser, its successors and assigns, shall not be liable for the share of the Common Expenses or Assessments by the Board chargeable to such Lot which became due prior to the acquisition of title to such Lot by such purchaser. Such unpaid share of Common Expenses or Assessments shall be deemed to be a Common Expense collectible from all Owners, including such purchaser, its successors and assigns.

6.8 Statement of Common Expenses. The Board shall promptly provide to any Owner so requesting in writing a written statement of all unpaid charges due from such Owner, for which it may impose a reasonable charge at its discretion.

6.9 Abatement and Enjoinment of Violations by Owners. The violation of any rule or regulation adopted by the Board, the breach of any Bylaw contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these Bylaws: (a) to enter the Lot in which, or as to which, such violation or breach exists, and to make any repairs, and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition which may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass, but no items of construction shall be altered or demolished pursuant to this authority before judicial proceedings are instituted; (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, at the expense of the defaulting Owner, the continuance of any such breach; (c) in any case of flagrant or repeated violation by a Owner, to require such Owner to give sufficient sureties for his future compliance with such Declaration.

6.10 Maintenance and Repair.

(a) Each Owner shall maintain, repair, and replace, at his sole cost and expense, all portions of his Lot which may become in need of maintenance, repair, or replacement (other than maintenance of and repairs to any Common Areas not specifically set forth herein contained therein and not necessitated by the negligence, misuse or neglect of the Owner, his employees, guests, agents, servants, lessees, invitees or contractors). Each Owner shall further be responsible for all damages to any and all other Lots and/or to the Common Areas which his failure to undertake his maintenance responsibility may cause. All damages to the Common Areas or other Lots intentionally or negligently caused by the Owner, his employees, guests, agents, servants, lessees, invitees or contractors shall be promptly repaired by the Owner at his sole costs and expense; provided that there is excluded from the provisions contained in this section such repairs necessitated by casualties insured against by the Association to the extent the Association receives insurance proceeds for such repairs. The Owner shall be in said instance required to pay such portion of the costs of such maintenance, repair and replacement as shall exceed the amount of the applicable insurance proceeds. If the Owner does not make those repairs to be made by him within 30 days from written demand by the board, the same may be repaired by the Board, and the cost thereof shall be assessed against the Lot owned by the subject Owner.

(b) The Association, through its Board, shall maintain, repair and replace all portions of the Common Areas (except as provided in Section 6.10 above or in the Declaration) which shall require same, and the costs thereof shall be charged to all the Owners as a Common Expense.

6.11 Restrictions on Owners. No Owner shall perform or cause to be performed any maintenance, repair or replacement work which disturbs the rights of the other Owners, jeopardizes the soundness or the safety of the Property, or reduces the value thereof. Each

Owner shall cause any work so performed or being performed on the Lot, which, in the sole opinion of the Board, violates the terms of this section, to be immediately corrected, and he shall refrain from recommencing or continuing any such work without written consent of the Board.

6.12 Duty to Report. Each Owner shall promptly report to the Board or its agent any defect or need for repairs or replacement in the Common Areas the responsibility for which is that of the Association.

6.13 Additions, Alterations or Improvements by the Association. Whenever in the judgment of the Board, the Common Areas shall require additions, alterations or improvements, the Board shall proceed with such additions, alterations or improvements, and shall assess all Owners for costs thereof, as a Common Expense, subject, however, to the provisions of Sections 6.1 and 6.3.

6.14. Use of Common Areas and Facilities. A Owner shall not interfere with the use of the Common Areas by the remaining Owners and their employees, guests, agents, servants, lessees, or contractors.

6.15. Rules of Conduct. Rules and Regulations concerning the use of the Lots and the Common Areas may be promulgated and amended by the Board. Such Rules and Regulations shall be equally applicable to all Owners and shall be uniform in their application and effect. Rules and Regulations shall be posted on the Association website and mailed to an Owner upon written request.

6.16. Remedies Cumulative. All rights, remedies and privileges granted to the Association or the Owner or Owners of a Lot pursuant to any terms, provisions, covenants or conditions of the Declarations, Bylaws, or Rules and Regulations shall be cumulative, and the exercise of any one or more shall not constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

6.17. Nonwaiver of Remedies. The failure of the Association or any Owner to enforce any right, provision, covenant or condition which may be granted by the Declarations, Bylaws, or Rules and Regulations shall not constitute a waiver of the right of the Association or the Owner to enforce such right, provision covenant or condition in the future.

ARTICLE VII **RECORDS AND AUDITS**

7.1 Reports. The Board shall keep detailed records of the actions of the Board and the managing agent, minutes of the meetings of the Board, minutes of the meetings of the Association, and financing records and books of account of the Association and Property, including a chronological listing of receipts and expenditures, as well as a separate account for each Lot, which, among other things, shall contain the amount of each Assessment against each Lot, the date when due, the amounts paid and the balance remaining unpaid. A

current copy of the Declaration, Articles of Incorporation of the Association, these Bylaws, any currently effective Rules and Regulations, and the Association's books, records and financial statements shall be available for examination by all Owners, their duly authorized agents or attorneys, and all holders, guarantors, or insurers of first Mortgages secured by Lots, their attorney and authorized agents, at convenient hours during normal business hours that shall be set and announced for general knowledge. A written annual summary of all receipts and expenditures of the Association and Property shall be available by the Board to all Owners on or before the 15th day of the second month following the close of each fiscal year. In addition, an annual report of the receipts and expenditures of the Association and Property shall be made available by the Board to all Owners.

7.2 Common Expense Funds. All sums collected by the Association, either as Assessments for the Common Expenses or as Special Assessments may be commingled in a single fund, but they shall be held for the Owners for the purpose for which they are paid, and shall, subject to the right of withdrawal or refund provided herein, be credited to accounts from which shall be paid the charges for which the Assessments are made. Such accounts shall include the following, or such other and further accounts as the board from time to time shall determine:

(a) General Common Expense Account—to which shall be credited collection of that portion of the Common Expense Assessments received for defraying the costs of operating the Association and Property on a day-to-day basis, including normal maintenance and repairs, insurance and related charges; and

(b) Capital Reserve Account—to which shall be credited, all sums collected which are to be allocated for capital expenditures for the reconstruction, repair and replacement of Common Areas at a future date.

All sums collected by the Association during the fiscal year, either as assessments of the Common Expenses or as special assessments, and allocated to the General Common Expense Account or to any other account from which non-capital expenditures may be made, in excess of expenditures during such fiscal year made from or chargeable to said accounts shall be deemed contributions to capital at the end of said fiscal year, and shall be transferred to the Capital Reserve Account. All amounts credited to said Capital Reserve Account shall be contributions to capital, and shall be held in trust by the Association for future expenditures of a capital nature, and shall serve to reduce the Assessments required for said capital expenditures.

7.3 Audits. All books of account and financial records shall be kept in accordance with good and acceptable accounting practices. The Board may have an audit of the books of account and financial records of the Association made by an independent certified public accountant. Any report of such accountant shall be received by the Board and made available for inspection by all Owners and all mortgage holders on or before the 15th day of the second month following the close of each fiscal year. An audit shall be required by: (a) a majority vote of the Board; or (b) the written request of the Owners owning at least 20% of the Lots.

ARTICLE VIII
AMENDMENTS TO BYLAWS

8.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.

8.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board or by not less than one-third of the members of the Association. Directors and members of the Association not present in person or by proxy at the meeting considering the amendment may express their approval in writing provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be by not less than a majority of the votes of all eligible members of the Association represented at a meeting at which a quorum has been attained.

8.3 Limitation. No amendment shall be made that is in conflict with the Articles of Incorporation of the Association or Declaration without satisfaction of the requirements therein contained. No amendment to this section shall be valid.

8.4 Conflict with Declaration. In the event that any provision of these Bylaws shall conflict provisions of the Declaration, the provisions of the Declaration shall control.

ARTICLE IX
MISCELLANEOUS

9.1 Ad valorem Taxes. Each Lot shall be deemed to be a separate parcel and shall be separately assessed and taxed. Each Owner shall be liable solely for the amount of tax assessed against his Lot and shall not be affected by the consequences resulting from the tax delinquency of other Owners. All tangible personal property owned by the Association in connection with the maintenance, upkeep and repair of the Common Areas shall be listed for said taxes in the name of and paid by the Association. Each Owner is also responsible for his prorata share of taxes assessed on his portion of the Common Areas, if any.

9.2 Severability. Invalidation of any covenant, condition, restriction or other provision of the Declaration or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

9.3 Successors Bound. The rights, privileges, duties and responsibilities set forth in the Declaration or these Bylaws, as amended from time to time, shall run with the ownership of the Property and shall be binding upon all persons who own or hereafter acquire any interest in the Property.

9.4 Gender, Singular, Plural. Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

9.5 Seal. The seal of the Association shall contain the name of the Association, the word "Seal," the year of incorporation and such other words and figures as are desired by the Board. When obtained, the seal shall be impressed in the margin of this Section of the Bylaws.

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

We, the undersigned Owners, do hereby certify that the foregoing Bylaws of **LOOKOUT RIVERWALK HOMEOWNERS ASSOCIATION, INC.**, a North Carolina non-profit corporation, and that the foregoing Bylaws constitute the official Bylaws of the Association as adopted at a meeting held on the ____ day of _____, 2009.



Printed Name: _____
Lot #: _____

Printed Name: _____
Lot #: _____

Printed Name: _____
Lot #: _____

Printed Name: _____
Lot #: _____

Printed Name: _____
Lot #: _____

Printed Name: _____
Lot #: _____

Printed Name: _____
Lot #: _____