

THE VILLAGES AT
Ocean Hill 

BY-LAWS
OF

THE VILLAGES AT OCEAN HILL COMMUNITY ASSOCIATION, INC.
COROLLA, NORTH CAROLINA

As Amended OCTOBER 2017

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Of
The Villages at Ocean Hill Community Association, Inc.

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BY-LAWS
OF
THE VILLAGES AT OCEAN HILL COMMUNITY ASSOCIATION, INC.
COROLLA, NORTH CAROLINA.

(Incorporated under the laws of the state of North Carolina) (As adopted by the initial Board of
Directors November 9, 1989)

ARTICLE I
NAME AND LOCATION

The name of the corporation is THE VILLAGES AT OCEAN HILL (VOH) COMMUNITY ASSOCIATION, INC. hereinafter referred to as the “Association”. The Association shall have and continuously maintain a registered office and registered agent whose office is identical with such registered office, as required by the North Carolina Non-Profit Corporation Act. The registered agent is hereinafter referred to as the “Management Company”. The mailing address of the Association and the registered agent may be changed by the Board of Directors.

ARTICLE II
SEAL AND MEMBERS

Section 1. Seal. The Corporate seal of the Association shall be in circular form and shall bear the name of the Association and such other language as required by the laws of the State of North Carolina.

Section 2. Members. All property owners are members of the Association. Only members in good standing may vote at meetings of the Association. Members in good standing are defined as owners who have paid all Association assessments and fees.

ARTICLE III
DEFINITIONS

Section 1. Definitions. Unless the context otherwise specifies or requires, the terms utilized herein shall be defined as provided in Article I of the Master Declaration.

ARTICLE IV
MEETING OF MEMBERS

Section 1. Meetings. Meetings of members shall be held semi-annually. One (1) meeting will be held on Columbus Day weekend. The other meeting will be held in the spring at a date to be selected by the Board of Directors. Both meetings will be in Corolla, North Carolina, at a place specified by the Board of Directors. The fall meeting shall be for the purpose of electing Directors, approving the annual budget and transacting such other business as may come before the membership. The spring meeting shall be for the purpose of discussing any relevant matters that have developed, including proposing fall meeting agenda items and draft budget requirements.

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 the written request of not less than one-tenth (1/10) of the members in good standing.

Section 3. Voting. At any meeting of the members, any member in good standing is entitled to vote, by written ballot, in any one of three ways: in person, by proxy, or by absentee ballot. The members may cast, with respect to each ballot issue (including each vacancy on the Board of Directors if the ballot issue concerns the election of Board members), as many votes as they are entitled to exercise under the Master Declarations of Covenants and Restrictions. Cumulative voting shall not be permitted. In person ballots shall be signed by the members, with a lot number included, and be presented to the Association's Management Company representative and a designated Board of Directors member who is not up for re-election on the day of the meeting. All proxy ballots must be signed by the proxy, with a lot number included, and accompanied by a written authorization, signed by the members with a lot number included, which expressly permits the designated proxy to vote on behalf of the members (unless the authorization limits the proxy's authority to vote on specific issues, the designated proxy shall have the authority to vote on behalf of the members with respect to all ballot issues at the meeting); the proxy ballots and the authorization shall both be presented to the Association's Management Company representative and a designated Board of Directors member who is not up for re-election on the day of the meeting. All absentee ballots must include a lot number, and must be received by the Association's Management Company at least 48 hours prior to the meeting date. Absentee ballots can be hand-delivered, mailed, or sent electronically (either by using electronically-transmitted ballots or communicating votes in an email message.) Absentee ballots that are hand-delivered or mailed must be signed by the members or their duly authorized attorney; absentee ballots that are sent electronically must include the members' names, and must be sent from an e-mail address listed on the members' most recent membership information on file with the Association's Management Company representative. Absentee ballots will be opened and counted before the meeting by the Association's Management Company representative and a designated Board of Directors member who is not up for re-election on the day of the meeting. After all ballots are submitted at the meeting, the voting results shall be tabulated as follows: with respect to each ballot issue, the votes cast at the meeting shall be counted, then each added to the votes cast by absentee ballots, and the combined voting results then announced at the meeting.

Section 4. Informal Action by Members. Any action required by law to be taken at a meeting of the members or any action which may be taken at a meeting of the members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

ARTICLE V
BOARD OF DIRECTORS

Section 1. Composition, Eligibility, and Terms. The affairs of the Association shall be managed by its Board of Directors. The Board of Directors shall be composed of five (5) Directors. Directors need not be residents of North Carolina, but must be members in good standing. No two (2) related members from the same household may serve concurrently on the Board of Directors. **Directors are elected for two year terms.** Candidate names for Board of Director vacancies must be submitted and approved six (6) weeks prior to the Annual Meeting.

Section 2. Method of Nomination. Candidates for election shall file a petition of candidacy including a resume of experience and qualifications with the Association's Management Company and a designated member at least six (6) weeks prior to the annual meeting. The Board of Directors shall direct the Management Company to provide all members with a ballot containing the names and resumes of all bona fide candidates not less than four (4) weeks before the annual meeting.

Section 3. Method of Election. Election of the Board of Directors members for a two (2) year term shall be by written ballot at the annual meeting in accordance with Article IV, Section 3 of the By-Laws. Those persons receiving the largest number of votes shall be elected. In the event of a tie for a Board vacancy, an immediate runoff between the tied candidates shall be held with the absentee ballots counted as submitted.

Section 4. Resignation and Removal. The unexcused absence of an elected Director from two (2) consecutive regular meetings of the Board shall be deemed a resignation. Any elected Director may be removed with good cause from the Board by a majority vote of the members of the Association in good standing.

Section 5. Vacancies. In the event of death, resignation or removal of an elected Director, his or her successor shall be selected by the remaining Directors. Those members who ran in the last election shall be given consideration for filling the vacancies. The Board of Directors may select a successor from any of the members in good standing willing to serve. The successor shall serve for the remainder of the calendar year. The selected Director may run for a full two (2) year term at the next annual meeting.

Section 6. Compensation. No Director shall receive compensation for the service he may render to the Association. However, any Director may be reimbursed for actual expenses incurred in performance of his duties as a Director. No Director shall serve the Association in any other capacity for which they receive compensation.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Board of Directors Meetings. Meetings of the Board of Directors required to conduct routine business may take place in person (either within or outside of the State of North Carolina), by conference call, or on the Internet (e.g., by e-mail messages or in a chat room). If a meeting is conducted by e-mail, copies of all messages must be sent to all Board members present, and also to all persons requesting the right to observe the meeting in accordance with Article VI, Section 5, of these By-Laws. Any business for which Board of Directors action or vote is required can be conducted at such meetings. No Board of Directors meeting should be held without all Board of Directors members present. The exceptions to this would be in case of severe illness or other good cause. In all other cases, meetings should be scheduled so that all Board of Directors members may be in attendance. The Board of Directors will report significant decisions to the membership on a timely basis.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any three (3) Directors. Special meetings of the Board may be held in person, by conference call, or on the Internet (e.g., by e-mail messages or in a chat room). If a special meeting is conducted by e-mail, copies of all messages must be sent to all Board members present, and also to all persons requesting the right to observe the meeting in accordance with Article VI, Section 5, of these By-Laws. Special meetings are subject to the conditions of Article VI, Section 1.

Section 3. Notice. Notice of any special meeting of the Board of Directors shall be given when all the members of the Board of Directors have been contacted and confirm notification. It is the responsibility of each Director to notify the Board of Directors when they are going to be out of town and unavailable for meetings. In this event, the remaining Board of Directors (4/5) may conduct a special meeting if all the remaining Board of Directors members are present in person or by conference call. In the event of a tie, the issue will be tabled until the return of the absent Director.

Section 4. Quorum. For the purposes of a quorum, 4/5 shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 5. Executive Sessions. All meetings of the Board shall be open to observers, except the President may call the Board into executive session on matters of personnel or for hearing on infractions of recorded or adopted policies and procedures. Any action taken by the Board in executive session shall be recorded in the minutes of the Association.

Section 6. Voting. Decisions may be made by the Board of Directors at any meeting at which a quorum is present. An action shall be considered “passed” when a majority of the Directors representing the quorum are in agreement. In case of a tie, action shall be deferred until the remaining Board of Directors member can be present in person or by conference call to cast their own vote.

Section 7. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a formal meeting if a consent in writing setting forth the action taken shall be signed by all of the Directors. Such consent when so signed shall be deemed and may be referred to as “Minutes of the Board of Directors” of the date on which signed.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) exercise for the Association all powers, duties and authority vested in or delegated to this Association by Law, the Master Declaration or Supplementary Declarations and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Master Declaration;
- (b) employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.
- (c) no action to eliminate, remove or otherwise substantially alter any existing amenity on either common areas or easements (including, but not limited to, pools, fitness center, tennis courts, playgrounds and paths) may be taken unless such action is first approved by written ballot by a majority of eligible owners entitled to cast fifty percent (50%) of the votes of the members in good standing. If the required 50% quorum is not forthcoming, voting will be suspended until such time as a quorum exists.

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

- (a) cause the Common Areas to be maintained in good, clean, attractive and sanitary condition, order and repair;
- (b) adopt, amend and repeal by simple majority vote unless otherwise provided and publish policies and procedures governing the use of the Common Areas and facilities, and the personal conduct of the member and their guests thereon, and to include these in the Book of Resolutions. All changes in annual fees beyond ten (10%) percent (in either direction) must be accompanied by budget projections and rationale presented to the membership for approval;

- (c) suspend the right of an Owner or Occupant to use the recreational facilities during any period in which Owner shall be in default for more than thirty (30) days after notice of the payment of dues or Assessments levied by the Association. Such right may also be suspended for members, after notice and hearing, for a period not to exceed sixty (60) days for infraction of the Master Declaration or Book of Resolutions. Interest may be charged on unpaid dues and assessments at eighteen (18%) percent interest, maximum under NC law;
- (d) cause to be kept in a complete record of all its corporate affairs including the Book of Resolutions, make such records available for inspection by any member or his agent or attorneys and present an annual statement thereof to the members;
- (e) supervise all Officers, agents, and employees of the Association and see that their duties are properly performed;
- (f) present at each annual meeting of the members a full and clear statement of the financial condition of the Association, including a reasonably detailed balance sheet and disbursement statement all in such form and manner as the Board may determine or as may be otherwise required;
- (g) issue upon demand by any member a certificate setting forth whether or not any Assessment has been paid and giving evidence thereof for which a reasonable charge may be made;
- (h) designate depositories for Association maintenance funds, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Association, and cause such persons to be bonded, as it may deem appropriate;
- (i) provide each member with a copy of the proposed annual budget at least thirty (30) days prior to the fall meeting. The proposed annual budget shall be passed by a favorable vote of two-thirds (2/3) members present and members submitting proxies and absentee ballots;
- (j) The Board of Directors shall see that Recreational Membership Assessments are consistent with but not greater than dues charged to Association members;
- (k) annually set the date(s) Assessments are due, decide what, if any, interest rate is to be applied to Assessments, which remain unpaid thirty (30) days after they become due;
- (l) send written notice of each Assessment to every Owner or recreational membership subject thereto at least thirty (30) days in advance of the due date of annual Assessments. No installment payments are permitted subject to special arrangements with the Management Company;

- (m) cause the lien against any property for which Assessments are not paid within one hundred twenty (120) days after the due date. The cost of the lien shall become part of the Assessments as well as accrued interest. Contact appropriate rental companies no later than two (2) weeks prior to the Memorial Day weekend and notify them that renters in homes that have not paid dues or Assessments will be restricted from using community amenities. The Board may initiate foreclosure procedures against any lot or home owner who fails to pay their dues within six (6) months of the Assessment due date. All expenses incurred in foreclosure procedures including interest and legal fees will be included in the final Assessment fee;
- (n) procure and maintain adequate insurance to protect the Association, its employees and its personal and real properties;
- (o) enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Master Declaration;
- (p) appoint such committees as it deems appropriate to carrying out its purpose;
- (q) exercise their powers and duties in good faith, with a view to the interests of the Association and to this end adopt appropriate policies and procedures for action on matters where a potential conflict of interest may exist.
- (r) under the Planned Community Act, Currituck County approved the Villages at Ocean Hill as a PUD. If the developer brings additional property pursuant to Article II, subsection 2(a), of the Masters Declarations of Covenant and Restrictions, the Developer and individual lot owners in such additional property will become members of the Association, with all rights, when the final plat for the additional property is recorded with the Register of Deeds.

The annual dues and fees paid by members provide revenues to support the common property amenities of the Association and maintain cash-flow. In addition to annual fees and dues, the BOD require a one time “buy-in” fee to be paid by either the developer or the new owners prior to membership. The “buy-in” becomes cost of co-ownership of the values of the association’s amenities. These amenities include capital reserve funds, pools, fitness center, tennis courts, sports court, playground, pathways, etc. that the association has amassed, constructed, and maintained prior to incorporating the new phase into the PUD. The developer and/or owner will pay the Buy-In amount within thirty (30) calendar days after the final plat for the additional property is recorded with the Register of Deeds.

The Buy-In amount will be computed by determining the Gross Capital Accumulation as explained below, apportioning that amount among current Lots to derive a per-Lot share of the Gross Capital Accumulation, then multiplying that per-Lot share times the number of Lots in the additional property. The Gross Capital Accumulation shall consist of three components, each to be determined at the time

the plat for the additional property is recorded with the Register of Deeds: (1) the fair market value of the Common Area, including both the land and all improvements thereon; (2) the amount of any capital reserve funds held by the Association; and (3) the amount of any special assessments for capital improvements levied during that fiscal year. The fair market value of the Common Area shall be determined by a licensed appraiser in Currituck County selected by the Board.

For example: if when the plat for additional property is recorded with the Register of Deeds, the fair market value of the Common Area is \$300k, the Association holds \$50k in capital reserve funds, and the Association has levied a total of \$200k in that fiscal year, then the Gross Capital Accumulation would be \$550k. If there are 20 Lots in the additional property, and 550 existing Lots (not including the additional property) in the Villages at Ocean Hill PUD, then the per-Lot share of the Gross Capital Accumulation would be \$1K (\$550k divided by 550 Lots) and the Buy-In amount would therefore be \$20k (20 lots x \$1k per lot). Any portion of the Buy-in amount not received by the Association within thirty (30) calendar days after the final plat for the additional property is recorded with the Register of Deeds shall, starting on the 31st day after the final plat for the additional property is recorded, bear interest at the then-current rate for interest on judgments, and shall become a lien against all Lots in the additional property. The Association is thereupon authorized to file and record, in the chain of title of the additional property and each Lot therein, a Notice of Lien. Such a lien shall remain in effect against all Lots until the Buy-In amount plus any accumulated interest, is paid in full. (Thus in the example above, the Developer could not pay \$1k in order to discharge the lien against one Lot. All Lots in the additional property would remain subject to the lien until the entire \$20k plus accumulated interest was paid in full.) The Association may, at its option, bring an action against the Developer either to collect the amount paid, plus interest, or to foreclose the lien, or both. Additionally, if the Developer conveys any Lot in the additional property before the Buy-In amount plus interest is paid in full, the Association may, at its option, bring legal action against the Lot owner(s) to foreclose the lien against that Lot. (In the event, the Lot would be subject to the lien for the entirety of the unpaid Buy-In amount plus interest. Thus, in the preceding example, such a Lot would be subject to a lien for \$20k plus interest.) In any such action against the Developer or individual Lot owner(s), the Association shall be entitled to recover all its costs and reasonable attorney's fees incurred.

ARTICLE VIII
OFFICERS

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

Section 2. Election of Officers. 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 the Association shall be elected annually by the Board of Directors.

Section 4. Resignation and Removal. Any officer may be removed from office with cause by the unanimous vote of the remainder of the Board. Any officer may resign at any time by 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 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve the remainder of the term of the officer he replaced.

Section 6. Multiple Offices. The offices of President and Secretary may not be held by the same person.

Section 7. Duties. The duties of the officer are as follows:

- (a) President: The President shall preside at all meetings of the members and of the Board of Directors. He shall see that orders and Resolutions of the Board are carried out. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.
- (b) Vice-President. In the absence of the President or in the event of his inability or refusal to act, the Vice-President (or in the event there be more than one [1] Vice-

President, the Vice-Presidents in order of their election), shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

- (c) Secretary. The Secretary shall keep the minutes of the meetings of members and of the Board of Directors in one (1) or more books provided for that purpose; give all Notices in accordance with the provisions of the By-Laws or as required by law. The Management Company shall be custodian of the corporate records and of the seal of the Association, and affix the seal of the Association to all documents, the execution of which on behalf of the Association under its seal and provide duplicate copies to the Secretary. The Management Company shall keep a register of the post office addresses of each member that shall be furnished to the Secretary. The Secretary will also perform all duties as from time to time may be assigned to him by the President or by the Board of Directors.
- (d) Treasurer. The Treasurer shall track and report all actual expenditures and revenues to the Board of Directors. The Treasurer reports to the Board for a vote of any expenditure above and beyond those authorized in the approved annual budget. He shall be responsible for oversight of funds and securities in coordination with the Management Company and act as the Board of Director's liaison with the Management Company. The Management Company is authorized to receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provision of Article XIII of these By-Laws; shall cause an annual audit of the Association books to be made by a certified public accountant at the completion of each full fiscal year. The Treasurer shall be the chief officer responsible for the preparation of an annual budget and a statement of income and expenditures at its regular annual meeting; and in general perform all other duties as from time to time may be assigned to him by the President or by the Board of Directors. The Treasurer shall work with the Management Company to collect unpaid dues, fees and assessments. The Treasurer will also see that liens and foreclosures are pursued as indicated in Article VII, Section 2(m).
- (e) Assistant Treasurers and Assistant Secretaries. The Assistant Treasurer or Assistant Secretary shall perform such duties assigned to them by the Treasurer, or the Secretary, or by the President, or the Board of Directors.

ARTICLE IX QUORUM NOTICE

Section 1. Quorum. The quorum for semi-annual meetings of members where action by owners is required by the Master Declarations shall be the presence of Owners by proxy,

in person, or by absentee ballot who are entitled to cast fifty (50%) percent of the votes of the members in good standing. If the required quorum is not forthcoming at the meeting, voting will be suspended until such time as a quorum exists.

Section 2. Notice. Notice required by the Master Declaration, the Articles of Incorporation, or these By-Laws shall be provided in writing by mailing a copy of such Notice, first class postage prepaid, to the member at the address last appearing on the books of the Association supplied by such member for the purpose of Notice. In order that the member shall receive official Notice at the correct address, a new address or change of address must be received by the Association not less than thirty (30) days prior to an official Notification action of the Association.

Notice to members where action by Owners is required shall be provided to Owner, their successors and assigns, not less than thirty (30) days or more than fifty (50) days prior to such meetings. Notice of all other meetings of members shall be provided to member not less than thirty (30) days before the date of such meeting.

Notice of meetings shall specify the place, day and hour of the meeting, and in case of a special meeting, the purpose of the meeting. If mailed, the Notice of meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid.

The Owner of any Lot shall notify the Association in writing of any Occupant on the Lot exclusive of his immediate family, giving the Occupant's full name and mailing address.

ARTICLE X FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal years shall begin on the date of Incorporation.

ARTICLE XI INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each Officer and Director of the Association in consideration of his services as such, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him in connection with the defense of any action, suit, or proceeding, civil or criminal, to which he may be party by reason of being or having been a Director or Officer of the Association. The foregoing right of indemnification shall not be exclusive of any other rights to which the Director or Officer or person may be entitled by law, or agreement, or vote of the Members or otherwise.

ARTICLE XII COMMITTEES

Section 1. Committees of Directors. The Board of Directors, by resolution, adopted by a majority of the Directors in office, may designate and appoint one (1) or more committees, each of which shall consist of one (1) or more Directors, which committees, to the extent provided in said resolution shall have and exercise the authority of the Board of Directors in the management of the Association. However, no such Committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the By-Laws; electing, appointing or removing any member of any such Committee or any Director or Officer of the Association; amending the Articles; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for the distribution of assets of the Association; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such Committee. The designation and appointment of any such Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or him by law.

Section 2. Environmental Committee. An Environmental Committee consisting of a minimum of three (3) persons, the Chairman of which shall be appointed by the Board of Directors.

- (a) Quorum. A quorum for Environmental Committee actions shall be three (3) members.
- (b) Purpose. The Environmental Committee shall regulate the external design, appearance, use, location and maintenance of The Properties and of improvements thereon and to regulate such uses of property as described in the Master Declaration, any Supplementary Declaration and the Book of Resolutions.
- (c) Duties. It shall be the duty of the Environmental Committee to consider and act upon such proposals of plans from time to time submitted to it in accordance with the Environmental Policies and Procedures Resolution(s) and to adopt, amend or repeal Environmental Committee Policies and Procedures Resolution(s) as provided hereinafter, to establish and collect appropriate fees to cover the costs of its services, and to perform such other duties as may be delegated to it from time to time by the Board of Directors.
- (d) Adoption, Amendment and Repeal of Environmental Committee Resolutions. The Committee may adopt, amend or repeal Policies and Procedures Resolutions by a two-thirds (2/3) vote of the Environmental Committee, thirty (30) day notification

to the membership, and pursuant to an affirmative vote of two-thirds (2/3) of the Board of Directors. A copy of the adopted, amended or repealed Resolution certified by the Chairman of the Environmental Committee shall be included in the Book of Resolutions and shall have the same force and effect as if it were set forth in and were part of this Master Declaration or any supplemental Declaration.

(e) Procedures.

- (1) An applicant may appeal an adverse Environmental Committee decision to the Board of Directors who may reverse or modify such decision by a two-thirds (2/3) vote of the Directors.
- (2) The Environmental Committee shall meet from time to time as necessary to perform its prescribed duties. The Consent of any two (2) members shall constitute an act by the Committee unless a unanimous decision of its members is otherwise required by the Master Declaration, any Supplementary Declaration or the Book of Resolutions.
- (3) The Environmental Committee shall approve, modify or disapprove in writing any application submitted to it in accordance with adopted policies and procedures.
- (4) The Environmental Committee shall keep and maintain a record of all action from time to time taken by the Committee at its meetings or otherwise. Unless authorized by the Association, members of the Committee shall not receive any compensation for services rendered. All members shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of any Committee function.

Section 3. Landscape Committee. A Landscape Committee consisting of three (3) or more persons shall be appointed by the Board of Directors.

(a) Purpose and Duties. The Landscape Committee shall oversee the maintenance of existing landscaping including common property owned by the Association and annual improvements to landscaping within the Association. This is to include but is not limited to the hiring of a landscaper, subject to Board of Directors approval.

- (1) The Landscape Committee shall meet from time to time as necessary to perform its prescribed duties. The consent of any two (2) members shall constitute an act by the Committee unless a unanimous decision of its members is otherwise required by the Master Declaration, and Supplementary Declaration or the Book of Resolutions.
- (2) The Landscape Committee shall keep and maintain a record of all action from time to time taken by the Committee at its meetings or otherwise. Unless authorized by the Association, members of the Committee shall not receive any compensation for services rendered.

Section 4. Other Committees. Other Committees having and exercising the authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each committee shall be members in good standing of the Association and the President of the Association shall appoint the members thereof.

Section 5. Term of Office. Except for the Environmental Committee, each member of a Committee shall continue as such until the next annual meeting of the members of the Association and until his successor is appointed, unless the Committee shall be sooner terminated or unless such member be removed from such Committee or unless such member shall cease to qualify as a member thereof.

Section 6. Chairman. One (1) member of each committee shall be appointed Chairman by the person or persons authorized to appoint the member thereof.

Section 7. Vacancies. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointment.

Section 8. Quorum. Except as provided above and unless otherwise provided in the Resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE XIII CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents of the Association, in addition to the Officer so authorized by the By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

Section 2. Checks and Drafts. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer or Officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and counter-signed by the President or a Vice-President of the Association.

Section 3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association. The Board of Directors may not accept for themselves any contribution gift.

ARTICLE XIV MISCELLANEOUS

Section 1. Amendments to By-Laws. These By-Laws may be amended:

- (a) By a vote of two-thirds (2/3) of the Directors at any meeting of the Directors duly called for that purpose, providing notice of the meeting and proposed amendments have been given to the members at least fifteen (15) days prior to the meeting; or
- (b) At the annual meeting of the members, by a vote of the majority of the members who are voting in person, by absentee ballot, or by proxy.

Section 2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the North Carolina Non-Profit Corporation Act or under the provisions of the Articles or the By-Laws 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 deemed equivalent to the giving of such notice.

Section 3. Conflict Between Documents. In the case of any conflict between Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; in the case of any conflict between the Master Declaration and these By-Laws, the Master Declaration shall control.

Section 4. Changes of Address. Each Director and Officer shall notify the Secretary and the Management Company immediately of any change of address; failure to do so shall constitute a waiver of any notice required to be given to such Director or Officer. This is not intended to relieve the Association of its obligation of notifying such Director or Officer; however, the Association can rely on the address last appearing on the books of the Association for the sending of notice.

Section 5. Invalid Provisions. If any part of these By-Laws shall be held invalid or inoperative for any reason, then, so far as possible and reasonable, the remaining part shall be valid and operative, and effect shall be given so far as possible to the intent manifested by part held invalid or inoperative.

Section 6. Pronouns. In every case where a masculine pronoun has been used in these By-Laws, it shall be deemed to include the feminine, and no person shall be disqualified from service as an Officer, Director, employee, agent or in any part or other capacity for the Association because of sex, religion, ethnicity, age, handicap, marital status, racial, or sexual orientation.

Section 7. Table of Contents-Headings. The Table of Contents and Heading used in these By-Laws have been inserted for administrative convenience only and do not constitute matter to be construed in interpretation and construction.