



BYLAWS

ARTICLE I

Association Members

Section 1. ANNUAL MEETING OF MEMBERS. The Annual Meeting of the members of the Association shall be held in the Claw Club of the BayCliff subdivision in Dare County, NC, at an hour to be fixed by the President, on the second Saturday in November of each year for the purpose of electing members of the Executive Board of Directors and for the transaction of such other business as may be brought before the meeting.

Section 2. SUBSTITUTE ANNUAL MEETING. If the Annual Meeting shall not be held on the day designated in these Bylaws, a substitute Annual Meeting at the BayCliff Claw Club may be called in accordance with the provisions of Section 3 of this Article I. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 3. SPECIAL MEETINGS OF MEMBERS. Special meetings of the members may be held in the BayCliff Claw Club, or elsewhere by consent of the members, whenever called in writing by the President, a majority of the Executive Board of the Corporation or by members representing ten percent (10%) of the membership entitled to vote.

Section 4. NOTICE OF MEETING. Written or printed notices stating the time and place of meeting shall be mailed or delivered by the Secretary to each member of record at the member's last known address. The notice of each meeting shall be sent by United States mail or delivered by the Secretary not less than ten days and not more than sixty days prior to the date set for such meeting and, as to special meetings, the notice shall indicate the purpose or purposes thereof.

Section 5. QUORUM. At any meeting of the members, ten percent (10%) of the members entitled to vote, present in person or represented by proxy, shall constitute a quorum of the membership for all purposes. If a quorum is not present, the meeting may be adjourned to a later date by a majority vote of those present in person or by proxy. The quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned. The quorum requirement shall continue to be reduced by fifty percent (50%) until such time as a quorum is present.

Section 6. ORGANIZATION. The President, or in his absence, the Vice President, shall preside over all meetings of members, and the Secretary of the Association shall act as Secretary at all meetings of the members, provided, however, in the Secretary's absence, the President may appoint a Secretary for the meeting of the members.

Section 7. VOTING. Each member of the Association, as defined in the Articles of incorporation of said Association, shall be entitled to one vote on each matter submitted to a vote at a meeting of members. A simple majority of the votes cast at a meeting of members at which a quorum is present shall be the act of the members on that matter, unless the vote of a greater number is required by law or by the charter or other Bylaws of this Association. Cumulative voting, such as voting more than once for the same candidate, shall not be allowed.

Revised: November 18, 2013

Section 8. VOTING BY PROXY. The Vote allocated to a member may be cast pursuant to a dated written proxy signed by the member. A member may not revoke a proxy except by written notice delivered to the person presiding over a meeting of the Association. Once a property owner has agreed in writing to assign a proxy to another property owner (second party), it may not be reassigned by the second party to a third party. A proxy terminates one year after its date, unless it specifies a shorter term. **Revised: November 18, 2013**

Section 9. PRESERVATION OF BALLOTS. The ballots cast by the members shall be preserved until the conclusion of the next Annual Meeting of the members. **Adopted January 15, 2007**

ARTICLE II

Executive Board (Board of Directors)

Section 1. NUMBER AND TERM OF OFFICE. The affairs of the Association shall be managed by a Board of Directors, hereinafter referred to as an Executive Board of five (5) members, which shall be entitled to act on behalf of the Association in all routine, day to day operations of the Association. Said Executive Board shall consist of the President, Vice President, Secretary/Treasurer of the Association and at-large members. The Executive Board shall be elected from member-candidates (in good standing) nominated from the floor at the Annual Meeting of the Association. Election shall be by secret written ballot and by a majority of the votes entitled to be cast at such meeting provided that a quorum is present. The term of office for each Executive Board member shall be until the successors to such offices shall have been duly elected and qualified as hereinafter stated. **Revised October 21, 2013**

Section 2. COMPENSATION. No Executive Board member shall receive compensation for any service he may render to the Association. However, with the prior approval of the Executive Board, any Executive Board member may be reimbursed for actual expenses incurred in the performance of his duties.

Section 3. ACTION WITHOUT MEETING. The Executive Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all the Executive Board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Executive Board.

Section 4. MEETINGS. Meetings of the Executive Board shall be held on the third Monday of each month at 7:00 p.m. in the Claw Club or as otherwise announced by the Board.

Section 5. QUORUM. A majority of the Executive Board members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Executive Board members present at a duly held meeting shall be regarded as the act of the Board. A member of the Executive Board may not assign a proxy to another member of the Executive Board for the purpose of representing the Board member in his/her absence at a meeting of the Executive Board. **Adopted October 18, 1999**

Section 6. POWERS AND AUTHORITY OF THE EXECUTIVE BOARD. Subject to the provisions contained herein and applicable law, including the North Carolina Planned Community Act, the Executive Board shall have the power and authority to exercise all of the rights and powers of the Association, including, but not limited to, the following powers:

- (a) To adopt rules and regulations governing the use of the common area and facilities, the personal conduct of the members and their guest thereon, and establish penalties for the infraction thereof;
- (b) To suspend the voting rights and right of use of the recreational facilities of a member during any period in which such members shall be in default in the payment of any assessment levied by the Association; and to suspend such rights, after notice, for infraction of published rules and regulations for a period not to exceed 60 days;
- (c) To file a lien on any lot for any assessment levied against the lot remaining unpaid for a period of thirty (30) days or longer.
- (d) To declare the office of a member of the Executive Board to be vacant in the event such member misses a total of four (4) regular meetings of the Executive Board in a board year;

- (e) To employ a manager, an independent contractor, or other employees as is deemed necessary, and prescribe their duties; review and approve the annual contracts prior to their execution each calendar year; provide that any contract for professional management must contain a clause requiring not more than ninety (90) days termination notice; **Revised: March 18, 2013**
- (f) To procure, maintain, and pay premiums on insurance policy(s) and equitably assess the members for their prorata portion of such expense.
- (g) To impose and receive any payments, fees, or charges for the use, rental, or operation of the common areas or elements other than for service provided to members;
- (h) To exercise all other powers that may be exercised in this state by legal entities of the same type as the Association;
- (i) To exercise any other powers necessary and proper for the governance and operation of the Association;
- (j) To require all owners to acknowledge receipt of the covenants, bylaws, and rules governing the operation of the pool, clubhouse, and common area; and
- (k) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

Section 7. DUTIES OF THE EXECUTIVE BOARD.

It shall be the duty of the Executive Board to do the following:

- (a) To cause the common elements to be maintained, repaired, and replaced as necessary, and to assess the members to recover the cost of the upkeep of the common elements;
- (b) To serve as the Architectural Committee;
- (c) To keep a complete record of all its acts and corporate affairs and present a statement thereof to the members at the Annual Meeting, or at any special meeting when such statement is requested in writing by 20% of the members;
- (d) To supervise all officers, agents and employees of the Association, and see that their duties are properly performed;
- (e) To fix the amount of the annual assessment, prior to the Annual Meeting, based on the projected budget for the annual assessment period and pursuant to the provisions set forth in the Declaration of Covenants, Conditions and Restrictions;
- (f) To provide a copy of the budget to every member and a notice of the meeting to ratify the budget.
- (g) To send written notice of each assessment to every member at least thirty (30) days in advance of the due date for each annual assessment;
- (h) To foreclose any unpaid assessments and liens resulting therefrom against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the member personally obligated to pay the same;
- (i) To issue, or have issued, for a reasonable charge, a certificate setting forth whether or not any assessment has been paid; provided, however, that if a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as to all parties except the member and lot owner as of the date of the assessment;
- (j) To procure and maintain, at all times, adequate hazard insurance on the property owned by the Association and all property for which the Association has the duty to maintain, and sufficient liability insurance to adequately protect the Association as provided in the Declaration of Covenants, Conditions and Restrictions;

- (k) To cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as it may deem appropriate;
- (l) To enforce the Declaration of Covenants, Conditions and Restrictions for BayCliff.
- (m) To establish and maintain a Capital Reserve Fund to provide for substantial expenses incurred in repairing or improving commonly-owned Capital Assets of the Association. The Capital Reserve Fund may be expended for the repair, replacement or improvement of the sewage disposal system, roads, bulkheads, pool and hot tub, clubhouse, guard house and other commonly-owned Capital Assets. "Substantial expenses" shall be defined as those expenses not normally incurred on an annual basis and not budgeted in the Annual Operating Budget. Any excess funds in the Association's Annual Operating Budget may be contributed to the Capital Reserve Fund at the end of the fiscal year with approval of the Executive Board and recorded in the Board's minutes.

ARTICLE III

Officers

Section 1. OFFICERS. The Executive Officers of this Association shall be a President, Vice-President and Secretary/Treasurer.

Section 2. ELECTION OF OFFICERS. Each officer shall be elected by and from the Executive Board after the Annual Meeting of the Association. Each officer elected shall serve until the next annual election or until his successor shall have been elected and qualified.

Section 3. POWERS AND DUTIES OF THE EXECUTIVE OFFICERS:

- (a) The President shall preside at all meetings of the Executive Board; shall see that orders and resolutions of the Executive Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign all promissory notes.
- (b) The Vice-President shall act in the place of the President in the event of his absence, or his inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Executive Board.
- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Executive Board and of the members; keep the Association seal and affix it on all papers requiring said seal; serve notice of meetings of the Executive Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; prepare, execute, certify, and record amendments to the Declaration of Covenants, Conditions and Restrictions on behalf of the Association; and perform such other duties as required by the Executive Board.
- (d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the Executive Board; sign all checks of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its Annual Meeting, with a copy to each member.
- (e) The Secretary and Treasurer shall be one and the same person.
- (f) The Vice-President and Secretary/Treasurer shall each have the authority, without Board approval, to allocate up to \$500.00 for unanticipated, immediate needs in situations when delaying for a Board vote could lead to serious project delays or to a natural event crisis. Events such as, but not limited to, emergency vehicle access being blocked to a residence due to a fallen tree. The amount and purpose of these allocations shall be provided at the next Board of Directors' meeting for documentation in the official meeting minutes.

- (g) The President is authorized, without Board approval, to allocate up to \$1,000.00 for unanticipated, immediate needs as defined in section (f). The amount and purpose of this allocation shall be provided at the next Board of Directors' meeting for documentation in the official meeting minutes.

Sections (f) and (g) Adopted: March 18, 2013

Section 4. ACTION WITHOUT MEETING. The Officers shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all of the Officer members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Officers.

Section 5. REMOVAL. Any Executive Officer may be removed, with or without cause, by a vote of at least sixty-seven percent (67%) of the total vote entitled to be cast at any meeting of the members at which a quorum is present. In the event of death, resignation or removal of an Executive Officer, his successor shall be selected by the Executive Board to serve until the next Annual Meeting of the members.

ARTICLE IV

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member or a mortgagee of any member. The Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions, the Bylaws of the Association and the North Carolina Planned Community Act shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

NOTE: In the event of a conflict between the provisions of the BayCliff Association Bylaws and the North Carolina Planned Community Act, the Act shall prevail.

ARTICLE V

Forms of Proxy and Waiver

Section 1. FORMS OF PROXY. The following form of proxy shall be deemed sufficient, but any other form may be used which is sufficient in law:

BayCliff Homeowners' Association, Inc.

Know all men by these presents that the undersigned members of BayCliff Homeowners' Association, Inc. hereby constitutes and appoints attorney and proxy of the undersigned to Annual and Special meeting of the members of BayCliff Homeowners' Association, Inc., at which I am not present, until the Secretary of the Association receives from me a letter revoking this proxy and for and on behalf of the undersigned to vote as the undersigned would be entitled to vote if personally present, hereby ratifying and confirming all premises, and giving and granting unto said attorney and proxy full power of substitution and revocation.

Assigned Attorney and Proxy:

(Print): _____

Dated: _____, 20_____

Member: (Print) : _____ (Signature) _____

Witness (Print): _____ (Signature) _____

Section 2. FORM OF WAIVER OF NOTICE. The following form of waiver of notice shall be deemed sufficient, but any other form may be used which is sufficient in law:

BayCliff Homeowners' Association

We the undersigned (Executive Board or Association Members) of BayCliff Homeowners' Association, Inc. do hereby severally waive notice of the time, place and purpose of (the Annual or Special) meeting of the (Executive Board or Association member s) of said Association, and consent that same be held at:

_____ on the _____ day of _____, 20____ at _____ o'clock AM/PM., and we do further consent to the transaction of any and all business of any nature that may come before the meeting.

Dated this _____ day of _____ 20 _____.

X _____ X _____

X _____ X _____

X _____

ARTICLE VI

General Provisions

Section 1. AMENDMENTS. Except as otherwise provided herein or in the Declaration of Covenants, Conditions and Restrictions, these Bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the Executive Board then holding office at any regular or special meeting of the Executive Board, or at a regular or special meeting of the members at which a quorum is present, by a simple majority vote of the total votes entitled to be cast at such a meeting.

Section 2. CORPORATE SEAL. A seal with the word "**BAYCLIFF HOMEOWNERS' ASSOCIATION, INC.**" on the outer circle and the date "**1988**" within the circle, shall be the common corporate seal of the Association and shall be in the custody of the Secretary.

These Bylaws are approved as written by the Executive Board

Date: November 18, 2013