

BY-LAWS

OF

GULL SHOAL MANOR PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE I

The following terms as used in these By-Laws are defined as follows:

- a. Gull Shoal Manor Property Owners' Association, Inc. hereinafter referred to as the "Association", means and refers to the Association of Owners of property of the community.
- b. "Board" means the Board of Directors of the Association.
- c. "By-Laws" means the By-Laws of the Association.
- d. "Declaration" means the Declaration of Protective Covenants imposed upon the Development, as duly recorded in the Office of the Register of Deeds, Dare County, North Carolina, and applicable as restrictions upon title to all property within or without the Development.
- e. "Development" means Gull Shoal Manor Subdivision, developed by Gull Shoal Manor Development Company, a General Partnership, as the same may be shown on maps thereof recorded from time to time.
- f. "Developer" means Gull Shoal Manor Development Company, a General Partnership and its successors.
- g. "Lot" means any parcel within the Development as defined by Lot Number on the plat defining the Development.
- h. "Owner" means and refers to any person who purchases or otherwise acquires title to any lot including purchasers under installment sales agreements entitling such person to use and occupancy of such lot.
- i. "Regulation" means the rules and regulations adopted and published by the Board, as from time to time amended and then in effect.

ARTICLE II

Purpose

Section 1. To foster and advance matters deemed to be in the best interests of the members of the Association.

Section 2. To assist in establishing and maintaining high community standards; to seek enforcement of the Declaration of Protective Covenants, hereinbefore referred to; and to take whatever action is necessary and

d. "Declaration" means the Declaration of Protective Covenants imposed upon the Development, as duly recorded in the Office of the Register of Deeds, Dare County, North Carolina, and applicable as restrictions upon title to all property within or without the Development.

e. "Development" means Gull Shoal Manor Subdivision, developed by Gull Shoal Manor Development Company, a General Partnership, as the same may be shown on maps thereof recorded from time to time.

f. "Developer" means Gull Shoal Manor Development Company, a General Partnership and its successors.

g. "Lot" means any parcel within the Development as defined by Lot Number on the plat defining the Development.

h. "Owner" means and refers to any person who purchases or otherwise acquires title to any lot including purchasers under installment sales agreements entitling such person to use and occupancy of such lot.

i. "Regulation" means the rules and regulations adopted and published by the Board, as from time to time amended and then in effect.

## ARTICLE II

### Purpose

Section 1. To foster and advance matters deemed to be in the best interests of the members of the Association.

Section 2. To assist in establishing and maintaining high community standards; to seek enforcement of the Declaration of Protective Covenants, hereinbefore referred to; and to take whatever action is necessary and advisable in these respects.

## ARTICLE III

### Membership

Section 1. Classes of Members. There shall be (1) Members, (2) Associate Members, (3) Honorary Members, and (4) Temporary Members.

Section 2. Member. Each owner shall, by reason of ownership, become a Member of the Association.

There shall be one voting Member for each "residential lot" regardless of the number of persons who may have ownership interest in such lot. The voting Member shall be designated in writing at the request of the Board.

Section 3. Associate Member. If not otherwise a Member, each of the following shall be entitled to Associate Membership in the Association:

The spouse and children, or legal wards, of a Member or Honorary Member who have the same principal residence as the Member or Honorary Member.

Associate Members shall have no vote or right to notice of any regular or special meeting of Members. The privileges and duties of Associate Members shall be as those of Members unless otherwise established from time to time by the Board by resolution.

Section 4. Honorary Member. If not otherwise a Member, the following shall be entitled to Honorary Membership in the Association:

Any person whose services contribute directly to the Association, or any person who may be adversely affected or in any way inconvenienced because of the Regulations of the Association or the activities of its Members.

Honorary Membership shall require nomination by petition signed by no less than thirty (30) Members in good standing and shall require unanimous approval by the Board. Membership shall be limited to ten (10) Honorary Members and shall extend for a period of one year unless suspended or otherwise terminated. Honorary Members shall have no vote or right to notice of any regular or special meeting of Members. The privileges and duties of Honorary Members shall be established from time to time by the Board by resolution. The privileges and duties of Honorary Members need not be the same as those of the Members.

Section 5. Temporary Member. Invited guests are considered Temporary Members while accompanied by a regular Member or Associate Member. Lessees are also considered Temporary Members. The privileges and duties of Temporary Members need not be the same as those of the Members.

Section 6. Suspension of Privileges of Membership.

1. The Board may suspend the voting privileges (if any) and the right to use

The spouse and children, or legal wards, of a Member or Honorary Member who have the same principal residence as the Member or Honorary Member.

Associate Members shall have no vote or right to notice of any regular or special meeting of Members. The privileges and duties of Associate Members shall be as those of Members unless otherwise established from time to time by the Board by resolution.

Section 4. Honorary Member. If not otherwise a Member, the following shall be entitled to Honorary Membership in the Association:

Any person whose services contribute directly to the Association, or any person who may be adversely affected or in any way inconvenienced because of the Regulations of the Association or the activities of its Members.

Honorary Membership shall require nomination by petition signed by no less than thirty (30) Members in good standing and shall require unanimous approval by the Board. Membership shall be limited to ten (10) Honorary Members and shall extend for a period of one year unless suspended or otherwise terminated. Honorary Members shall have no vote or right to notice of any regular or special meeting of Members. The privileges and duties of Honorary Members shall be established from time to time by the Board by resolution. The privileges and duties of Honorary Members need not be the same as those of the Members.

Section 5. Temporary Member. Invited guests are considered Temporary Members while accompanied by a regular Member or Associate Member. Lessees are also considered Temporary Members. The privileges and duties of Temporary Members need not be the same as those of the Members.

Section 6. Suspension of Privileges of Membership.

1. The Board may suspend the voting privileges (if any) and the right to use the common properties of the Association of any Member, Associate Member, or

Honorary Member for:

- a. Any period during which any Association charge (including any interest and collection fees, if any) owed by the Member or Associate Member remains unpaid.
- b. The period of any continuing violation of the Declaration after the existence of such violation has been declared by the Board and notice of such violation has been given to the Member in writing by the Board.
- c. For a period not to exceed thirty (30) days for any infraction of its rules and regulations.

Membership shall be automatically reinstated upon satisfactory payment of any dues, assessments, interest and collection fees imposed on the delinquent. Assessments not paid when due shall be a continuing lien upon the property as described under Section V of the Declaration.

#### ARTICLE IV

##### Evidence of Membership and Transfer

Section 1. Membership Certificates. Certificates of membership in the Association may be issued to Members, Associate Members, and Honorary Members. Such certificates shall be in such form as the Board shall from time to time designate and shall be issued over the signature of the president or other officer of the Association. Such certificate shall indicate whether or not the holder is a Member, an Associate Member, or Honorary Member and shall also indicate the Lot, the ownership of which gives rise to membership. Such certificate shall also clearly state on its face that the Association is a not-for-profit corporation. Adequate records shall be maintained at the registered office of the Association showing the names of the Members, Associate Members, and Honorary Members of the Association, the type of membership, and the date of membership.

Section 2. Transfer. When a member ceases to be an owner, such person's membership, and those associate members existing through relationships to such person, shall cease, but such person shall remain liable for all Association charges incurred prior to the giving of written notice to the Association that such person is no longer an owner.

#### ARTICLE V

##### Meetings of Members

Section 1. Place of Meeting. Any meeting of the members of the Association shall

under Section V of the Declaration.

#### ARTICLE IV

##### Evidence of Membership and Transfer

Section 1. Membership Certificates. Certificates of membership in the Association may be issued to Members, Associate Members, and Honorary Members. Such certificates shall be in such form as the Board shall from time to time designate and shall be issued over the signature of the president or other officer of the Association. Such certificate shall indicate whether or not the holder is a Member, an Associate Member, or Honorary Member and shall also indicate the Lot, the ownership of which gives rise to membership. Such certificate shall also clearly state on its face that the Association is a not-for-profit corporation. Adequate records shall be maintained at the registered office of the Association showing the names of the Members, Associate Members, and Honorary Members of the Association, the type of membership, and the date of membership.

Section 2. Transfer. When a member ceases to be an owner, such person's membership, and those associate members existing through relationships to such person, shall cease, but such person shall remain liable for all Association charges incurred prior to the giving of written notice to the Association that such person is no longer an owner.

#### ARTICLE V

##### Meetings of Members

Section 1. Place of Meeting. Any meeting of the members of the Association shall be held at any such place as may be stated in the notice of meeting.

Section 2. The Annual Meeting. The Annual Meeting of the Association shall be held on the first Saturday in August of each year commencing with the year 1982.

Section 3. Special Meetings of the Association. Special meetings of the Association may be called by the Board at any time in the manner herein provided. A special meeting may also be called upon the written petition of twenty-five percent (25%) of the members of the Association who would have the right to vote at such special meeting. Such petition shall set forth the purpose of the special meeting.

16 members  
25% = 4 members

Section 4. Notice of Meetings of the Association. Written notice of the place, date, and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than forty (40) days before the date of the meeting, either personally or by mail, to each person entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the person at his address as it appears on the records of the Association, with postage prepaid, or such notice may be published in any newspaper or publication printed under the auspices of the Association and distributed generally among members of the Association. At a special meeting, no business shall be conducted except that stated in the notice of said meeting.

Section 5. Quorum. A quorum at either a special meeting or the Annual Meeting shall be thirty percent (30%) of the members entitled to vote at such meeting in person or by proxy. The vote or a majority of the votes entitled to be cast at any meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by law.

30% = 8 members

## ARTICLE VI

### The Directors

Section 1. Powers. The Board shall:

- a. Manage and control the affairs of the Association.
- b. Adopt a corporate seal as the seal of the Association.

the place, date, and hour of the meeting, shall be delivered not less than ten (10) days nor more than forty (40) days before the date of the meeting, either personally or by mail, to each person entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the person at his address as it appears on the records of the Association, with postage prepaid, or such notice may be published in any newspaper or publication printed under the auspices of the Association and distributed generally among members of the Association. At a special meeting, no business shall be conducted except that stated in the notice of said meeting.

Section 5. Quorum. A quorum at either a special meeting or the Annual Meeting shall be thirty percent (30%) of the members entitled to vote at such meeting in person or by proxy. The vote or a majority of the votes entitled to be cast at any meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by law.

*30% = 8 members*

## ARTICLE VI

### The Directors

Section 1. Powers. The Board shall:

- a. Manage and control the affairs of the Association.
- b. Adopt a corporate seal as the seal of the Association.
- c. Designate a banking institution or institutions as depository for the Association's funds; and the officer or officers and agents authorized to make withdrawals therefrom and to execute obligations on behalf of the Association.



d. Negotiate, discuss and enter into agreements with Developer concerning all matters pertinent to the development. Such agreements may contain such provisions as the Directors feel are appropriate and in the best interests of the Association and its members. However, the existence of such agreements and provisions and the terms thereof shall be approved by a majority of those present in person or by proxy at a special or annual meeting.

e. Perform other acts the authority for which has been granted herein or by law, including the borrowing of money for Association purposes. A resolution by the Board that the interests of the Association require the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corporate purpose.

f. The Board shall adopt such rules and regulations (hereinafter called Regulations), relating to the use of Association property, if any, and sanctions for non-compliance therewith, as it may deem reasonably necessary for the best interests of the Association and its members. Further, the Board may adopt reasonable rules of order for the conduct of the meetings of the Association, and with reference thereto, on procedural questions upon which no rules have been adopted, the ruling of the Chairman of the Board shall be final. The Board may, by resolution, adopt Robert's Rules of Order as a guide for the conducting of all meetings.

g. The Board shall, prior to the annual meeting of the Association in each year commencing with the year 1982, adopt an operating budget to be presented for approval by the members at such annual meeting. Upon approval, the Board shall, taking into consideration other sources of income that the Association may have, levy the annual assessment per Article V of the Declaration for each lot for the following year. Upon the adoption and approval of the budget, the Board shall be bound by the same and shall not authorize expenditures which may exceed the total amount budgeted as aforesaid by more than fifteen percent (15%) without having called a special meeting of the Association to approve such variations. The budget shall be adopted only after the members of the Association shall have had an opportunity to review the same and to comment thereon, either at hearings

borrowing is for a proper corporate purpose.

f. The Board shall adopt such rules and regulations (hereinafter called Regulations), relating to the use of Association property, if any, and sanctions for non-compliance therewith, as it may deem reasonably necessary for the best interests of the Association and its members. Further, the Board may adopt reasonable rules of order for the conduct of the meetings of the Association, and with reference thereto, on procedural questions upon which no rules have been adopted, the ruling of the Chairman of the Board shall be final. The Board may, by resolution, adopt Robert's Rules of Order as a guide for the conducting of all meetings.

g. The Board shall, prior to the annual meeting of the Association in each year commencing with the year 1982, adopt an operating budget to be presented for approval by the members at such annual meeting. Upon approval, the Board shall, taking into consideration other sources of income that the Association may have, levy the annual assessment per Article V of the Declaration for each lot for the following year. Upon the adoption and approval of the budget, the Board shall be bound by the same and shall not authorize expenditures which may exceed the total amount budgeted as aforesaid by more than fifteen percent (15%) without having called a special meeting of the Association to approve such variations. The budget shall be adopted only after the members of the Association shall have had an opportunity to review the same and to comment thereon, either at hearings held thereon or through such other means as the Board may direct.

h. The Board of Directors may, by resolution, appoint committees of the Association. Such committees may be temporary or permanent. They shall have such powers and responsibilities as the Board may by resolution direct.

1. The Board of Directors shall exercise all powers granted to the Gull Shoal Manor Property Owners' Association in the Declaration of Protective Covenants for Gull Shoal Manor Subdivision recorded in Book 316, Page 965, Dare County Public Registry, North Carolina.

Section 2. Number of Directors. The number of the Directors shall be three (3). However, the Board of Directors by resolution, may increase the number of Directors to not more than seven (7). Directors need not be members. No Director shall receive a salary for services performed unless he is also an employee of the Association. Directors and officers may be compensated for reasonable expenses incurred while so acting.

Section 3. Term. The initial Board shall serve until the first annual election in 1982. At the first election, three (3) Directors will be elected, one (1) to serve for a period of one (1) year, and two (2) to serve for a period of two (2) years or until replaced. Thereafter elected Directors will serve for a term of two (2) years.

Section 4. Election of Directors.

a. Election of Directors shall be by written ballot as is hereinafter provided. In all elections of Directors, each member entitled to vote as is set forth in Article III, Section 2., shall be entitled to as many votes as shall equal the number of votes which he is entitled to cast on any matter other than the election of Directors multiplied by the number of Directors to be elected, and he may cast all of such votes for a single Director or may distribute them among the number to be voted for, or for any two or more of them, as he may see fit. The person receiving the largest number of votes shall be elected to fill the number of Board vacancies.

b. Between the first and the thirtieth (1-30) day of June of year, commencing with the year 1982, any member in good standing may file with the Secretary of the Association a statement of his or her candidacy for election as a Director of the Association for the term beginning immediately following the first Annual Meeting of the Association held after the filing of such statement, together with endorsements of his or her candidacy signed by one (1) member in good standing. The Secretary of the Association

election in 1982. At the first election, three (3) Directors will be elected, one (1) to serve for a period of one (1) year, and two (2) to serve for a period of two (2) years or until replaced. Thereafter elected Directors will serve for a term of two (2) years.

Section 4. Election of Directors.

a. Election of Directors shall be by written ballot as is hereinafter provided. In all elections of Directors, each member entitled to vote as is set forth in Article III, Section 2., shall be entitled to as many votes as shall equal the number of votes which he is entitled to cast on any matter other than the election of Directors multiplied by the number of Directors to be elected, and he may cast all of such votes for a single Director or may distribute them among the number to be voted for, or for any two or more of them, as he may see fit. The person receiving the largest number of votes shall be elected to fill the number of Board vacancies.

b. Between the first and the thirtieth (1-30) day of June of year, commencing with the year 1982, any member in good standing may file with the Secretary of the Association a statement of his or her candidacy for election as a Director of the Association for the term beginning immediately following the first Annual Meeting of the Association held after the filing of such statement, together with endorsements of his or her candidacy signed by one (1) member in good standing. The Secretary of the Association shall cause notice of each candidacy and a brief biographical statement of each candidate to be included in the note of such Annual Meeting.

c. All elections to the Board shall be made on written ballot which shall:

1. Describe the vacancy to be filled; and,
2. Set forth the names of those persons who have become candidates for the office of Director in the order in which they filed their statements and endorsements of candidacy with the Secretary of the Association.
3. Give the name of the property owner and the total number of votes the property owner may cast.

Such ballots shall be prepared and mailed by the Secretary to each person entitled to vote simultaneously with the mailing of the notice of the Annual Meeting of the Association.

d. Each member entitled to vote shall receive one (1) ballot for each lot for which he is the voting member.

e. The completed ballots which are returned by mail shall be returned to the Secretary of the Association at such address as the Board may from time to time determine no later than one (1) day prior to the Annual Meeting. Members may hand-deliver their ballots on the day of the Annual Meeting.

f. An Election Committee consisting of the Secretary and the then existing Board shall certify the results of the count and the terms of office of the Directors so elected shall commence immediately following such Annual Meeting.

g. All outside envelopes, ballots and statements of candidacy shall be retained by the Secretary for a period of one (1) year.

Section 5. Proxies. Except in connection with the election of Directors, every member entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such member or his duly authorized agent and filed with the Secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless the person executing it specifies therein the length of time for which such proxy is to continue in force, which in no event shall exceed three (3) years from the date of its execution.

Section 6. Removal of Directors. The Board shall meet at least

the Annual Meeting of the Association.

d. Each member entitled to vote shall receive one (1) ballot for each Lot for which he is the voting member.

e. The completed ballots which are returned by mail shall be returned to the Secretary of the Association at such address as the Board may from time to time determine no later than one (1) day prior to the Annual Meeting. Members may hand-deliver their ballots on the day of the Annual Meeting.

f. An Election Committee consisting of the Secretary and the then existing Board shall certify the results of the count and the terms of office of the Directors so elected shall commence immediately following such Annual Meeting.

g. All outside envelopes, ballots and statements of candidacy shall be retained by the Secretary for a period of one (1) year.

Section 5. Proxies. Except in connection with the election of Directors, every member entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such member or his duly authorized agent and filed with the Secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless the person executing it specifies therein the length of time for which such proxy is to continue in force, which in no event shall exceed three (3) years from the date of its execution.

Section 6. Removal of Directors. The Board shall meet at least annually. Special meetings of the Board may be called by the President or by a majority of the Board and shall be held at such place in the State of North Carolina as the call or notice of the meeting shall designate.

Notice of a special meeting may be given in writing or orally at least twenty-four (24) hours prior to the date of said special meeting, or notice thereof may be waived by the Directors in writing. After adoption of a resolution setting forth the times of regular meetings, no notice of such meetings shall be required, or waived, but notice of special meetings of the Board shall be given.

Section 8. Action Without Meeting. Unless prohibited by law, any action which may be taken at a meeting of the Board may be taken without a meeting if authorized in a writing signed by all of the Directors who would be entitled to vote upon said action at a meeting, and filed with the Secretary of the Association.

Section 9. Quorum. A majority of the Directors shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any meeting shall be deemed to be the act of the Board.

Section 10. Vacancies. If any vacancy exists on the Board, such vacancy shall be filled by the remaining Directors even though those remaining directors might be less than a quorum. Any person so elected a Director shall serve out the unexpired term of the Director whom he has replaced.

## ARTICLE VII

### The Officers

Section 1. Officers. The officers of the Association shall be the President, one or more Vice Presidents, the Secretary, the Treasurer, and such other officers and assistant officers as the Board may from time to time elect. Officers shall serve at the will of the Board. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. President. A President shall be the executive officer of the Association and shall preside over all meetings of the Association. He shall be ex officio a member of all committees except the Nominating Committee and the Rules Committee. He shall conduct the affairs of the Association in accordance with these By-Laws and those policies promulgated

Section 9. Quorum. A majority of the Directors shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any meeting shall be deemed to be the act of the Board.

Section 10. Vacancies. If any vacancy exists on the Board, such vacancy shall be filled by the remaining Directors even though those remaining directors might be less than a quorum. Any person so elected a Director shall serve out the unexpired term of the Director whom he has replaced.

## ARTICLE VII

### The Officers

Section 1. Officers. The officers of the Association shall be the President, one or more Vice Presidents, the Secretary, the Treasurer, and such other officers and assistant officers as the Board may from time to time elect. Officers shall serve at the will of the Board. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. President. A President shall be the executive officer of the Association and shall preside over all meetings of the Association. He shall be ex officio a member of all committees except the Nominating Committee and the Rules Committee. He shall conduct the affairs of the Association in accordance with these By-Laws and those policies promulgated by the Board of Directors. He shall be responsible for the preparation of a full and true report as to the prior year to be submitted to the Annual Meeting and shall file said report with the Secretary where it shall be available for inspection by the membership.



Section 3. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President is empowered to act and shall thereupon be vested with the powers and duties of the President.

Section 4. Secretary. The Secretary of the Association shall keep the minutes of the business and other matters transacted at the meetings of the members and of the Board. He shall mail, or cause to be mailed, all notices required by the By-Laws. He shall have the custody of the corporate seal and records and maintain a list of the members and their addresses and perform all other duties incident to the office of Secretary. The Secretary may appoint Recording and Correspondence Assistants.

Section 5. Treasurer. The Treasurer shall have custody of the funds of the Association, collect monies due, pay the obligations of the Association out of its funds, and perform such other duties as are incident to the office of Treasurer.

All checks shall be signed by the Treasurer and countersigned by the President or the Vice President, in the absence of the President.

Section 6. Removal of Officers. Any officers may be removed when, in the judgment of the Board, the best interest of the Association will be served by such removal.

#### ARTICLE VIII

##### Distribution of Assets After Termination

Section 1. No member of this Association shall have, as an individual, any interest of Gull Shoal Manor Property Owners' Association, Inc., and such assets shall be devoted to the purposes of the Association.

Section 2. In the event of dissolution or other termination of this Association, all of its assets shall be assigned to an institution that qualifies for tax exemption (under the Internal Revenue Code of 1954 as provided in Section 401 (c) (3) or any amendments thereto) as selected by the Board of Directors.

#### ARTICLE IX

##### Obligation to Comply with Rules and By-Laws

Section 1. Each member and associate member of the Association, and

Section 5. Treasurer. The Treasurer shall have custody of the funds of the Association, collect monies due, pay the obligations of the Association out of its funds, and perform such other duties as are incident to the office of Treasurer.

All checks shall be signed by the Treasurer and countersigned by the President or the Vice President, in the absence of the President.

Section 6. Removal of Officers. Any officers may be removed when, in the judgment of the Board, the best interest of the Association will be served by such removal.

#### ARTICLE VIII

##### Distribution of Assets After Termination

Section 1. No member of this Association shall have, as an individual, any interest of Gull Shoal Manor Property Owners' Association, Inc., and such assets shall be devoted to the purposes of the Association.

Section 2. In the event of dissolution or other termination of this Association, all of its assets shall be assigned to an institution that qualifies for tax exemption (under the Internal Revenue Code of 1954 as provided in Section 401 (c) (3) or any amendments thereto) as selected by the Board of Directors.

#### ARTICLE IX

##### Obligation to Comply with Rules and By-Laws

Section 1. Each member and associate member of the Association, and others, shall abide by the provisions of these By-Laws as well as any Regulation adopted by the Board of Directors of the Association pursuant to these By-Laws. Failure to do so shall justify the Board in imposing sanctions upon such member or associate member as is herein provided.

## ARTICLE X

### Indemnification of Directors, Officers and Employees

Any person who is involved without his consent in any legal action due to the fact that he is or was a Director, officer or employee of the Association shall be indemnified by the Association against all expenses reasonably incurred by him in connection with or resulting from such legal action. Such expenses shall also include amounts paid by him with the consent of the Association acting through its Board of Directors in reasonable settlement of such actions except for those matters as to which it shall be determined that such person was derelict in the performance of his duties to the Association. This right of indemnification shall apply to matters arising both before and after the time of adoption of this By-law and shall not exclude any other legal right of indemnification to which such person may be entitled.

## ARTICLE XI

### Duties of Members

The charges levied by the Association as provided in Section V of the Declaration shall be paid to it as provided therein. Written notice of the charge and the date of payment shall be sent to each Owner at the address last given by such Owner to the Association. If any charge levied or assessed against any Lot shall not be paid when due, it shall then ipso facto become a lien upon the lot or lots owned by the persons owing such charge or charges, and shall remain a lien against said lot or lots until paid in full, together with interest as is hereinafter provided and other charges or costs which might become due as a result of non-payment, or as is hereinafter provided. Such charges as are provided for in the Declaration shall bear interest at the rate of ten percent (10%) per annum until paid in full. If, in the opinion of the Board, such charges have remained due and payable for an unreasonably long period of time, they may, on behalf of the Association, institute such procedures, either in law or in equity, either by way of foreclosure of such lien or otherwise, to collect the amount of said charge in any court of competent jurisdiction. The Owner of the Lot or Lots subject

indemnification shall apply to matters arising both before and after the time of adoption of this By-Law and shall not exclude any other legal right of indemnification to which such person may be entitled.

## ARTICLE XI

### Duties of Members

The charges levied by the Association as provided in Section V of the Declaration shall be paid to it as provided therein. Written notice of the charge and the date of payment shall be sent to each Owner at the address last given by such Owner to the Association. If any charge levied or assessed against any Lot shall not be paid when due, it shall then ipso facto become a lien upon the lot or lots owned by the persons owing such charge or charges, and shall remain a lien against said lot or lots until paid in full, together with interest as is hereinafter provided and other charges or costs which might become due as a result of non-payment, or as is hereinafter provided. Such charges as are provided for in the Declaration shall bear interest at the rate of ten percent (10%) per annum until paid in full. If, in the opinion of the Board, such charges have remained due and payable for an unreasonably long period of time, they may, on behalf of the Association, institute such procedures, either in law or in equity, either by way of foreclosure of such lien or otherwise, to collect the amount of said charge in any court of competent jurisdiction. The Owner of the Lot or Lots subject to the charge, shall, in addition to the amount of the charge at the time legal action is instituted, be obligated to pay any expense or cost, including attorneys' fees, incurred by the Association in collecting the same.

## ARTICLE XII

### Amendments

These By-Laws may be amended by a majority vote of the Board of Directors until the Annual Meeting in August 1982. After the 1982 meeting, these By-Laws may be amended in any regular or special meeting of the Association, provided that the call for the meeting contains in full the proposed amendment. The amendment may be revised during the meeting provided the amendments are germane. An affirmative vote of a majority of the members present and voting shall be required to carry the amendment, provided at least forty percent (40%) of the members eligible to vote at said meeting are present either in person or by proxy.