

BY-LAWS OF
NORTHPOINT ASSOCIATION, INC.
A NON-PROFIT CORPORATION

ARTICLE I
PURPOSES AND OFFICES

Section 1. Identity

Northpoint Association, Inc. is a non-profit corporation organized pursuant to Chapter 55A of the General Statutes of North Carolina the Articles of Incorporation for which were filed in the Office of the Secretary of State on August 9, 1983. Northpoint Association, Inc., hereinafter called "Association", has been organized for the purpose of administering the operation and management of Northpoint Club established or to be established in accordance with the laws of the State of North Carolina on property situated, lying and being in Dare County, North Carolina near the Village of Duck. (S)

Section 2. Applicability.

The provisions of these By-Laws are applicable to Northpoint and the terms and provisions hereof are expressly subject to the terms, provisions, conditions and authorizations contained in the Articles of Incorporation recorded in the Public Records of Dare County, North Carolina, the terms and provisions of said Articles of Incorporation being controlling wherever the same may be in conflict herewith.

ARTICLE II
MEMBERSHIP, VOTING, QUORUM AND PROXIES

Section 1. Qualification.

The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members, shall be as set forth in Article IV of the Articles of Incorporation of the Association, the provisions of which said Article IV are incorporated herein by reference.

Section 2. Quorum.

A quorum at meetings of members shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

Section 3. Multiple Ownership.

The vote of the owners of a residential unit owned by more than one person, or by a corporation or other entity shall be cast by one person named in a Certificate signed by all of the owners of the unit and filed with the Secretary of the Association, and such Certificate shall be valid until revoked by a subsequent Certificate. If such a Certificate is not on file, the vote of such Owners shall not be considered in determining the requirement for a quorum, nor for any other purpose. Approval or disapproval of a Unit Owner upon any matter, whether or not the subject of an association meeting, shall be by the same person who would cast the vote of such owner if in an association meeting.

Section 4. Voting.

Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the

Secretary before the appointed time of the meeting. Except where otherwise required under the provisions of the Articles of Incorporation of the Association, or these By-Laws, or whether the same may otherwise be required by law, the affirmative vote of the persons entitled to cast a majority of the votes at any duly called member's meeting at which a quorum is present shall be binding upon the members.

ARTICLE III

Meetings of Members

Section 1. Annual Meetings.

The annual meeting of the membership shall be held at such time and place, as may be designated by the Board of Directors, on Easter Monday of each calendar year for the purpose of electing Directors and transacting any other business authorized to be transacted by the members.

Section 2. Place of Meetings.

All meetings of members shall be held at such place within the State of North Carolina as shall be designated by the Board of Directors or agreed upon by a majority of the members entitled to vote.

Section 3. Special Meetings.

Special meetings of the members may be called at any time by the President or a Vice-President, or the Board of Directors, and must be called by such officers upon receipt of a written request from members holding a majority of the votes entitled to be cast at any meeting of members.

B. The number of Directors constituting the initial Board shall be three and the names and addresses of the persons who are to serve as the first Board of Directors are as follows:

NAME	ADDRESS
George S. Twiddy	290 Hillcrest Drive, Southern Shores, North Carolina 27949
Douglas A. Twiddy	10 Ocean Way, Duck, North Carolina 27949
Richard A. Brindley	P.O. Box 998, Nags Head, NC 27959

C. The first election by the members of the Association for Directors shall not be held until after the Declarant has relinquished control of the Association as described in this Section. Thereafter, the election of Directors shall take place at the annual meeting of the membership provided in the By-Laws. After the Declarant has relinquished control there shall be a special meeting of the membership for the purpose of electing a Board of Directors to serve until the next annual meeting or until new Directors are elected and qualified.

For so long as the Declarant owns 12 or more lots in Northpoint or until January 1, 1986, whichever is sooner, the Declarant shall have the right to appoint, designate and elect all of the members of the Board of Directors. The Declarant may, at any time, relinquish its right to appoint Directors and resign its Directorships. The Declarant shall relinquish its right to appoint Directors and cause the initial Board to resign at the time hereinabove described in the first sentence of this paragraph. Provided further, for so long as the Declarant owns lots in Northpoint and it is engaged in the construction and development of any lot, the Declarant shall have an absolute right of veto over all matters, otherwise properly before the Board of Directors, which in any way affects the rights of the Declarant as to the lots owned by it.

(b) The Association shall have all of the common law and statutory powers of a non-profit corporation and also those powers as set out in the Declaration of Covenants, Conditions and Restrictions of Northpoint and all powers reasonably necessary to implement the purposes of the Association.

IV

MEMBERSHIP

A. The membership of Northpoint Association, Inc. shall consist of the owners of lots in Northpoint Development and any other lands which may be added thereto by the Declarant. Membership shall be established by acquisition of fee title to a lot in Northpoint, whether by conveyance, devise, or judicial decree. A new owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior owner as to a lot designated shall be terminated. Each new owner shall deliver to the Association a true copy of such deed or instrument of acquisition of title. It is further provided that voting in the Association shall be by lot with each lot being entitled to only one vote even though there may be several owners thereof.

B. The share of a member in the funds and assets of the Corporation, and membership in the Corporation cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to a Northpoint lot.

C. There shall be one class of membership in Northpoint Association, Inc. which shall consist of members owning lots in Northpoint Subdivision and any lands added thereto pursuant to the Declaration of Covenants, Conditions and Restrictions.

V

DIRECTORS

A. The number of Directors and the method of election of the Directors shall be fixed by the By-Laws, however, the number of Directors shall not be less than three. Directors shall be elected at large from the membership.

VI

REGISTERED OFFICE REGISTERED AGENT

The address of the initial Registered Office of the Corporation is P.O. Box 998, Villas Condominium H-5, Nags Head, Dare County, North Carolina and the name of the initial registered agent at such address is Richard A. Brindley.

VII

TAX STATUS

The corporation shall have all the powers granted nonprofit corporations under the laws of the State of North Carolina. Notwithstanding any other provision of these Articles, this corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code. It is further provided that no distributions of income of the corporation are to be made to members, directors or officers of the corporation provided, however, that members of the corporation may receive a rebate of any excess dues and assessments.

VIII

INCORPORATOR

The name and address of the incorporator is: Thomas L. White, Jr., Kellogg Building, Ananieas Dare Street, Manteo, North Carolina 27954.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal, this the

_____ day of _____, 1983.

Thomas L. White, Jr. (SEAL)

Section 4. Notice of Meetings.

Written or printed notice stating the time and place of the meeting shall be delivered not less than ten (10) days nor more than fifty (50) days before the date thereof, either personally or by mail, by or at the direction of the President, the Secretary, or other person calling the meeting, to each member of record entitled to vote at such meeting.

In the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless it is a matter, other than election of directors, on which the vote of members is expressly required by the provisions of Chapter 55A of the North Carolina General Statutes. In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than an announcement at the meeting which the adjournment is taken.

If there is no quorum present at the opening of a meeting of members, such meeting may be adjourned from time to time by a vote of a majority of the members voting on the motion to adjourn; and, at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting. The members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 5. Order of Business.

Insofar as practical, at any annual members' meeting and at any other member's meeting the order of business shall be as follows:

- ✓1. Calling of the roll and certifying proxies
- ✓2. Proof of notice of meeting or waiver of notice
- ✓3. Reading and disposal of any unapproved minutes
- ✓4. Reports of Officers
- 5. Reports of Committees
- ✓6. Election of Directors
- ✓7. Unfinished business
- ✓8. New Business
- ✓9. Adjournment

ARTICLE IV

BOARD OF DIRECTORS

Section 1. General Powers.

The business and affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors shall have the authority to make rules and regulations governing the conduct of members in the subdivision and governing the use of common facilities.

Section 2. Number, Term and Qualifications.

The initial Board of Directors shall consist of three (3) persons and each succeeding Board of Directors shall consist of five (5) persons. Directors shall serve for a term of one year, but shall remain in office until their successors are elected and qualified. Notwithstanding the foregoing, so long as the Developer owns fifteen or more lots, but in any event no longer than January 1, 1986, such Developer shall have the right to designate and select the persons who shall serve as members of the Board of Directors of the Association. A Director designated by and selected by the Developer need not be a resident in the subdivision.

Section 3. Election of Directors.

The Developer shall, at the beginning of the election of Directors at each annual meeting, designate those Directors which it shall be entitled

to designate in accordance with the Articles of Incorporation and these By-Laws. Thereafter election shall be by majority vote for each directorship from a proposed slate of directors supplemented by nominations from the floor.

Section 4. Vacancies.

A vacancy occurring on the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum. Provided, however, that a vacancy in any Directorship designated and filled by the Developer shall be filled by the Developer designating and selecting, by written instrument, delivered to any officer of the Association, the successor Director to fill such vacated Directorship for the unexpired term thereof.

Section 5. Replacement of Directors.

In the event that Developer, in accordance with the rights herein established, selects any person or persons to serve on any Board of Directors of the Association, Developer shall have the absolute right at any time, in its sole discretion, to replace such person or persons with another person or persons to serve on said Board of Directors. Replacement of any person or persons designated by Developer to serve on any Board of Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the persons designated as successor or successors to the person so removed from the Board of Directors. The removal of any Director and the designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

Section 6. Indemnification.

Every director and every officer of the association shall be indemnified by the association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with a court proceeding to which he may become involved, by reason of his being or having been a director or officer of the association whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of malfeasance or negligence in the performance of his duties; provided, in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all rights of indemnification to which such director or officer may be entitled by law.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings.

A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members. In addition, the Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings.

Section 2. Special Meeting.

Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors.

Section 6. Informal Action by Directors.

Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting, if a written consent to such action is signed by all members of the Board or of such committee as the case may be, and such written consent is filed with minutes of the proceedings of the Board or committee.

Section 7. Committees.

The Board of Directors may, by resolution, provide for such standing or special committees as it deems desirable and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties not inconsistent with the law as may be assigned to it by the Board of Directors.

ARTICLE VI

OFFICERS

Section 1. Number.

The Officers of the Corporation shall consist of a President (who must be a Director), a Secretary, a Treasurer, and such other Vice-Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Directors may from time to time elect. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term.

The officers of the Corporation shall be elected by the Board of Directors. Such elections may be held at any regular or special meeting of the Board. Each officer shall hold office until his death,

resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 3. Removal.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board with or without cause.

Section 4. Compensation.

The compensation of all officers of the Corporation, if any, shall be fixed by the Board of Directors.

Section 5. President.

The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the Corporation in accordance with these By-Laws.

He shall, when present, preside at all meetings of members. He shall sign, with any other proper officer, any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors, to some other officer or agent; 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.

Section 6. Vice Presidents.

The Vice Presidents in the order of their election, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of that

office. In addition, they shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

Section 7. Secretary.

The Secretary shall keep accurate records of the acts and proceedings of all meetings of members and directors. He shall give all notices required by law and by these By-Laws. He shall have general charge of the membership records of the Corporation and shall keep, at the registered or principal office of the corporation, a record of members, showing the name and address of each member and the number of votes held by each. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of the Secretary and such other duties as may be assigned him from time to time by the President or by the Board of Directors.

Section 8. Treasurer.

The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. He shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose; and he shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of its operations, all in reasonable detail, to be made and filed at the registered or principal office of the corporation within four (4) months after the end of such fiscal year. The statement so filed shall be kept available for inspection by any member for a period of ten (10) years; and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to any member upon his written request therefor. The Treasurer shall, in general, perform all duties incident to his office and such

other the duties as may be assigned to him from time to time by the President or by the Board of Directors.

Section 9. Assistant Secretaries and Treasurers.

The Assistant Secretaries and Assistant Treasurers shall in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or by the Board of Directors.

Section 10. Bonds.

The Board of Directors may by resolution require any or all officers, agents and employees of the Corporation to give bond to the Corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.

Section 11. Employment of Directors.

Nothing herein contained shall preclude the Board of Directors from employing a Director as an employee of the Association.

ARTICLE VII

CONTRACTS, LOANS AND DEPOSITS

Section 1. Contracts.

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument

on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans.

No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts.

All checks, drafts or other orders for the payment of money issued to the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits.

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such depositories as the Board of Directors shall direct.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Amendments.

Amendments to these By-Laws shall be proposed and adopted in the following manner:

- (a) Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by members of the Association holding a majority of the votes in the Association, whether meeting as members or by instrument in writing signed by them.
- (b) Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors, or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other Officer of the Association in the absence of the President, who shall thereupon call a Special Meeting of the members of the Association for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such Officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members is required as herein set forth.
- (c) In order for the amendment or amendments to become effective, the same must be approved by the affirmative vote of seventy-five (75%) percent of the total vote of the members of the Association. Thereupon, such amendment or amendments to these By-Laws shall be transcribed certified by the President and Secretary of the Association and a copy thereof shall be filed in the corporate records.
- (d) Upon the approval and proper recording of any amendment or amendments, the same shall become binding upon all Unit Owners.
- (e) Notwithstanding the foregoing provisions of this Article VIII, no amendment to these By-Laws which shall abridge, amend or alter the

right of the Developer to designate and select members of the Board of Directors of the Association, as provided in Article IV hereof, may be adopted or become effective without the prior written consent of the Developer.

Section 2. Seal.

The corporate seal of the Corporation shall consist of two concentric circles between which the name of the Corporation and the name of the State of incorporation and in the center of which is inscribed CORPORATE SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Corporation.

The foregoing were adopted as the By-Laws of Northpoint Association, Inc., a non-profit corporation under the laws of the State of North Carolina, at the first meeting of the Board of Directors on

Secretary

APPROVED:

President