

Revised May 1995

**BY-LAWS
OF
AVALON BEACH IMPROVEMENT ASSOCIATION, INCORPORATED**

ARTICLE I. OFFICES

The principal office of the association in the State of North Carolina shall be located in the Town of Kill Devil Hills, County of Dare. The corporation may have such other offices, either within or without the State of North Carolina, as the Board of Directors may designate.

ARTICLE II. MEMBERSHIP

SECTION 1. Annual Meeting. The annual meeting of the members shall be held on the 1st Saturday in the month of May in each year, beginning in the year 1967, at the hour of 7 o'clock P.M, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting, If the election of the Directors shall not be held on the day designated herein for any annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

SECTION 2. Special Meetings. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President at the request of the holders of not less than 5 percent of all the outstanding membership of the corporation entitled to vote at the meeting.

SECTION 3. Place of Meeting. The Board of Directors may designate any place as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the office of the corporation in the Town of Kill Devil Hills, State of North Carolina.

SECTION 4. Notice of Meeting. Written or printed notice of the Annual Meeting, as provided for by Article II, Section 1 of the By-Laws, stating place, day, and hour of the meeting, shall be published in *The Coastland Times* on two separate occasions prior to the meeting. The two notifications shall be at least 7 days apart and shall be not less than 10 days nor more than 30 days prior to the date of said Annual Meeting. The meeting will be held in the Kill Devil Hills Town Hall on Town Hall Drive, unless otherwise announced. Notice shall be deemed delivered upon the first publication in *The Coastland Times*. In the case of a special meeting, written printed notice stating the place, day and hour, and the purpose or purposes for which the meeting is called shall be delivered either personally or by mail, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting, to each member of record 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 member at his address as it appears on the list of membership book of the corporation, with postage thereon prepaid.

SECTION 5. Voting of Shares. Each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of the members, or submitted to a vote by written or printed notice in accordance with Article II, Section 4.

SECTION 6. Informal Action by Members. Unless otherwise provided by law, any action required to be taken at a meeting of the members, or any other action which may be taken at a meeting of the members, may be taken without a meeting. A majority of submitted votes, whether in writing or in person shall constitute a decided action.

ARTICLE III. BOARD OF DIRECTORS

SECTION 1. General Powers. The business and affairs of this corporation shall be managed by its Board of Directors.

SECTION 2. Number, Tenure and Qualifications. The number of directors of the corporation shall be five; one of whom shall be elected for a term of one (1) year, two for a term of two (2) years, and two for a term of three (3) years. Each director shall hold office until the next annual meeting of the membership and until his successor shall have been elected and qualified.

SECTION 3. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after and at the same place as, the annual meeting of the shareholders. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

SECTION 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place for holding any special meeting of the Board of Directors called by them.

SECTION 5. Notice. Notice of any special meeting shall be given at least three (3) days previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with postage thereon to be paid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 6. Quorum. A majority of the number of directors fixed by Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board

of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 7. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 8. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors, unless otherwise provided by law. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or a special meeting of the membership called for that purpose.

SECTION 9. Compensation. All directors and officers of the corporation shall serve without compensation.

SECTION 10. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof.

ARTICLE IV. OFFICERS

SECTION 1. Number. The officers of the corporation shall be a President, Vice President, Secretary, and Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors.

SECTION 2. Election and Term of Office. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the membership. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the corporation would be serviced thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. Vacancies. A vacancy of any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

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 in general supervise and control all of the business and affairs of the corporation, He shall, when present, preside at all meetings of the membership and of the Board of Directors. He may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificate of membership, any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing or execution thereof shall be expressly delegated by the Board of Directors or by the By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general 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 President. In the absence of the President or in the event of his death, inability, or refusal to act, the Vice President 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. The Vice President shall perform such other duties as from time to time may be assigned to him by the Board of Directors or by the President.

SECTION 7. Secretary. The Secretary shall (a) keep the minutes of the members' and the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a registry of the post office address of each member which shall be furnished to the Secretary by each member; (e) have general charge of the membership books of the corporation; and (f) in general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors,

SECTION 8. Treasurer. The Treasurer shall (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies, or other depositories as shall be directed by the Board of Directors; (c) that he shall sign checks on the corporation which shall be countersigned by the President of the corporation; (d) in general, perform all of the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the President or the Board of Directors.

SECTION 9. Salaries. The officers of the corporation shall receive no compensation.

ARTICLE V. MEMBERSHIP

SECTION 1. Admission to Membership. Admission to membership in this corporation shall be open to all owners of lots in Avalon Beach and Annexes thereto, and each owner shall have one membership certificate and be entitled to one vote in the matters of the corporation for each lot that he owns and for which he has paid membership.

SECTION 2. Evidence of Membership. Membership in this corporation shall be evidenced by membership certificate duly executed by the President and attested by the Secretary, and impressed with the seal of the corporation.

SECTION 3. Membership Dues. There shall be an initial membership fee of \$25.00 and thereafter there shall be a membership fee of \$25.00 payable annually on or before the annual meeting of the corporation. This fee may be changed at annual meetings by a majority vote of the members present and members having submitted their votes in writing prior to such meeting.

SECTION 4. That is a members sells his lot in Avalon Beach or Annexes thereto, his membership in the corporation shall be transferred with the sale for that membership year.

ARTICLE VI. CERTIFICATES FOR SHARES

Certificates for Shares. Certificates representing membership of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the President and by the Secretary of the Association. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, shall be entered on the membership book of the corporation.

ARTICLE VII. FISCAL YEAR

Fiscal Year. The fiscal year of the corporation shall begin on the 1st day of May and end on the 30th day of April in each year.

ARTICLE VIII. SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation, and the words, "Corporate Seal".

ARTICLE IX.

This corporation is organized on a non-profit basis for the use and benefit of its members and consequently will not have profits from which to pay dividends on its capital stock. After all expenses of the corporation have been paid and reasonable reserve as determined by the Board of Directors set aside, the net earnings of the corporation shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending, and repairing the recreation facilities and property of the corporation, and for such other purposes as the Board of Directors may determine to be for the best interest of the corporation. The said surplus fund or any portion thereof may from time to time, at the discretion of the Board of Directors, be distributed to the members as provided in the By-Laws, on the basis of the assessment and charges made and levied against and paid by such members during the year.

ARTICLE X. WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any member or director of the corporation under the provisions of these By-Laws, or under the provision of the Articles of Incorporation, 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.

ARTICLE XI. AMENDMENTS

These By-Laws may be altered, amended, or repealed and new By-Laws may be adopted by a vote of the members present at any annual members meeting or at any special members meeting, and members having submitted their votes prior to such meeting, when the proposed amendment has been set out in the notice of such meeting.