



Figure "8" Beach Homeowners' Association, Inc.  
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**Amended And Restated Bylaws**  
**For**  
**Figure "8" Beach Homeowners' Association, Inc.**

**Adopted By The Members On June 15, 2020**

AMENDED AND RESTATED BYLAWS  
FOR  
FIGURE "8" BEACH HOMEOWNERS' ASSOCIATION, INC.

ADOPTED AS OF  
June 15, 2020

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AMENDED AND RESTATED BYLAWS  
FOR  
FIGURE "8" BEACH HOMEOWNERS' ASSOCIATION, INC.

ARTICLE 1

NAME AND DEFINITIONS

Section 1.1. Name. The name of the association shall be Figure "8" Beach Homeowners' Association, Inc. (the "Association").

Section 1.2. Definitions. Terms specifically defined in the Declaration of Restrictions Island Development Company, as same may be amended from time to time, and including all attachments (hereinafter referred to as the "Declaration") shall have the same meaning in these Bylaws, unless the context shall otherwise prohibit. The term "Bylaws" as used herein shall include any amendments made, from time to time, to the Bylaws. The phrase "Member Not in Good Standing" shall have the meaning ascribed to it in Section 2.15 herein.

Section 1.3. Chief Executive Officer. The Island Administrator shall be the chief executive officer of the Association, subject to Article 5 hereof. The Island Administrator may delegate duties given to him as he determines in his sole discretion. In the event the office of Island Administrator is vacant, the President shall serve as the chief executive officer, unless the Board establishes another managing agent as chief executive officer.

ARTICLE 2

MEMBERSHIP AND VOTING

Section 2.1. Membership by Natural Person Owners. A Member of the Association must be an Owner, but only natural Persons shall be Members of the Association. Notwithstanding the foregoing sentence, in the case of a non-natural Person Owner, certain natural Persons affiliated with the non-natural Person Owner, as defined in the Rules and Regulations, may be Members if the application for membership is approved by the Board. No Person holding a lien, mortgage, or other encumbrance upon any Lot shall be entitled, by virtue of such lien, mortgage, or encumbrance, to membership in the Association or to any of the rights or privileges of membership.

Section 2.2. Membership Election. Following receipt of an application for membership, the Board shall consider such application, and Members shall be elected to membership by an affirmative vote of the majority of the Board. If an applicant is rejected, the applicant is welcome to acquire a Lot, but the applicant shall not be a Member upon acquisition of the Lot. An eligible Owner, or an eligible natural Person affiliated with a non-natural Person

Owner, may re-apply for membership after one year following a rejection of a membership application. No Person shall be denied membership based on race, creed, age, sex, disability, protected veteran status, military membership, or national origin. There is no other means of acquiring membership other than by affirmative Board vote.

Section 2.3. Membership Application. Any natural Person eligible for membership pursuant to these Bylaws who desires to apply for membership may do so by completing and executing a Membership Application and any related application documents in such form as the Association may specify from time-to-time and submitting them to the Island Administrator for review and consideration by the Board. Applications for membership should be submitted prior to an Owner's acquisition of a Lot.

Section 2.4. Qualifications for Membership. Pursuant to the North Carolina Nonprofit Corporation Act, this Section constitutes authorization within these Bylaws for the Board to establish qualifications for membership in the Rules and Regulations. In addition, the Board may, at its discretion, establish a class of membership known as "Special Members" with such limitations, qualifications, terms and conditions on said memberships as the Board shall establish in the Rules and Regulations; PROVIDED, HOWEVER, that the Board only may establish this class of membership known as "Special Members" after a vote of the Members to approve the establishment of this class of membership and such approval is given by an affirmative vote of either (i) a majority of Members present in person or by proxy at a duly called meeting, with the requirement that sixty percent (60%) of the votes allocated to the Lots for membership vote must be cast by Members represented in person or by proxy at the meeting; or (ii) a majority of Members who cast a ballot in an action by written ballot pursuant to the terms of the Bylaws, with the requirement that sixty percent (60%) of the votes allocated to the Lots for membership vote must be cast by ballot. These Special Members shall not have the rights and privileges of Members set forth herein or in the Declaration, but the Special Members shall have the rights set forth solely in the Rules and Regulations. Special Members shall not have the right to vote on any issue, and Special Members shall not be counted for determining quorum at any members meeting.

Section 2.5. Number of Members. Each Lot shall be represented by no more than three (3) Members; PROVIDED, HOWEVER, that any two natural Persons who are legally married shall only count as one (1) Member in this calculation, and each natural Person in the marriage shall have all rights and privileges as a Member. To the extent someone applies for membership who is not a spouse of a Member after three (3) Members already have been approved by the Board, and no membership has been terminated for any reason, the application for membership shall be denied and rejected by the Island Administrator or the Board. In the event of divorce of two natural Persons who are legally married and exist as one (1) Member together, the divorce shall render the two divorced natural Persons as separate Members upon notification

to the Association of the divorce, and if the divorce results in a Lot having more than three (3) Members, the divorced natural Persons must agree amongst themselves which one of them shall be a Member following the divorce and notify the Association in writing of this agreement; if the divorced natural Persons fail to notify the Association of their agreement within thirty (30) days of the divorce or notification of the divorce by the Association, whichever is later, the Board may vote to terminate the membership of one or both of the divorced natural Persons.

Section 2.6. Transfer of Membership. Memberships are not transferable. Membership occurs only upon the occurrence of those events set out in this Article 2.

Section 2.7. Membership Termination. Any Member may resign at any time. Membership is automatically terminated, without Board action, when a Member who is an Owner no longer owns a Lot, when the non-natural Person entity that provides the basis for membership to the Member ceases to own the Lot, or when the Member ceases to meet the qualifications for membership in the Rules and Regulations. At any time, and separate from automatic termination described in the preceding sentence, the Board may terminate membership for any Member by Board action. Membership may be terminated by Board action with or without cause and with or without any violation of the Governing Documents for the Association; PROVIDED, HOWEVER, that termination must be approved by unanimous vote of the Board only after the Member is given thirty (30) days prior written notice that the membership may be terminated, with such notice explaining that the Member has an opportunity to be heard before the Board at the time that termination will be considered. If a Member attends the Board meeting when the termination is being considered, the Member may present any information that the Member deems relevant for the Board's consideration prior to the Board's vote on termination, but the Board is not required to make any presentation at such meeting. By accepting the benefits of membership, all Members acknowledge and agree that this hearing opportunity and process satisfies the requirements for termination set forth in N.C. Gen. Stat. § 55A-6-31(a). Any Person who is terminated as a Member may apply again for membership arising out of that same Lot ownership after one (1) year from the date of termination.

Section 2.8. Voting on Membership Matters. Except for Members Not in Good Standing, all Members shall be entitled to vote on all matters as to which Members may be entitled to vote on under the terms of these Bylaws, the Declaration, and applicable law. A Member Not in Good Standing does not have the right to vote. Special Members do not have the right to vote.

Section 2.9. Votes Allocated to the Lots for Membership Vote. Each Lot is allocated one (1) vote. To the extent there is one Member for that Lot, the one Member shall cast one (1) vote. To the extent more than one Member represents a Lot, and more than one Member casts a vote for that Lot and the

votes do not agree, the one vote for that Lot shall be divided into fractional shares of 1/2 or 1/3, as the case may be, for each Member that casts that fractional vote for the Lot. PROVIDED, HOWEVER, if more than one Member represents a Lot, but only one Member for that Lot casts a vote, no fractional voting shall be employed, and that single Member's vote shall count as one (1) vote for the entire Lot's vote. The vote of a married couple who are Members count as only one (1) voting share of the memberships comprising the one (1) vote allocated to the Lot, so that if there are three Members that vote, and a married couple share one of the three memberships, the married couple's vote only counts as a fractional share of 1/3. A married couple must agree on the vote for their membership, and the Association, in its sole discretion, may accept any vote from one natural Person in the married couple as the vote of the married couple forming one (1) membership.

Section 2.10. Voting Information for Action by Written Ballot.

Unless the Board determines otherwise, ballots cast on any vote may be opened upon receipt or otherwise viewed prior to the conclusion of the vote by the person authorized to tabulate votes in accordance with Section 2.11; PROVIDED, HOWEVER, that in the event an Election Committee is appointed to tabulate votes, only the Island Administrator, the Island Administrator's designee who is not a Member, or such other non-Member appointed by the Board to tabulate votes pursuant to Section 2.11 may see the ballots. The person authorized to tabulate votes in accordance with Section 2.11 may inform the Board who has voted and how many votes have been cast, but the person authorized to tabulate votes in accordance with Section 2.11 shall not disclose to the Board or to any Member the voting selections of any Member as shown on the ballots. Ballots cast shall not be reviewed by any Member, including directors, at any time. This Section only applies to actions by written ballot, and it does not apply to votes taken in a meeting.

Section 2.11. Tabulation of Votes. The Board may appoint any non-Member, acting with or without the assistance of an Election Committee, to tabulate votes. Unless otherwise determined by the Board, the Island Administrator or his designee shall be the agent authorized to tabulate votes pursuant to N.C. Gen. Stat. § 55A-7-27. No Member may be authorized to tabulate votes pursuant to N.C. Gen. Stat. § 55A-7-27, as ballots cast shall not be reviewed by any Member. When sensitive or controversial issues may arise, or at any other time it so determines, the Board, in its discretion, may appoint the Association's attorney or accountant to tabulate the votes, with such individual being the agent authorized to tabulate votes pursuant to N.C. Gen. Stat. § 55A-7-27.

Section 2.12. Association Votes. If the Association is an owner of a Lot, the Association shall not cast the vote appurtenant to such Lot, nor shall any such vote be counted for the purpose of establishing a quorum.

Section 2.13. Manner of Voting in a Meeting. Pursuant to Section 2.14 below, the Association may choose to conduct voting of the membership through action by written ballot. To the extent voting at a meeting is employed instead of action by written ballot, voting by Members at a meeting, except for the election of directors which shall be by written ballot, shall be by voice vote or a show of hands unless any Member present at the meeting requests a vote by written ballot, and by an affirmative vote of a majority of the votes cast the Members consent to such request. Except for the election of directors as provided in Section 4.1 herein, if a quorum is present, action on a matter at a meeting of members shall be deemed approved if approved by the affirmative vote of a majority of the votes cast, unless a greater vote is required by the North Carolina Nonprofit Corporation Act, the Association's Articles of Incorporation, the Bylaws, or the Declaration.

Section 2.14. Action by Written Ballot. Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. A written ballot shall: (a) set forth each proposed action, (b) provide an opportunity to vote for or against each proposed action, and (c) indicate the time by which a ballot shall be received by the Association in order to be counted. Approval by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the same total number of votes were cast. The Declaration or Bylaws also may provide that a certain number of votes must be cast in an action by written ballot before an approval is reached. A written ballot may not be revoked once it is cast.

Section 2.15. Member Not in Good Standing. By majority vote at a Board meeting, with prior written notice having been given to the Member at issue, the Board may declare any Member to be a Member Not in Good Standing if:

(a) Payment by such Member of any financial obligation to the Association is delinquent more than thirty (30) days; or

(b) The Member has had the Member's privileges suspended by the Association, and the suspension continues; or

(c) The Member, or the Owner through which the Member derives his or her membership, or the Lot through which the Member derives his or her membership is in violation of any provision of the Association Documents.

A Member Not in Good Standing may not be elected to the Board, may not be appointed as an officer, and may not be appointed to any committee established by the Board. Other limitations and restrictions applicable to a Member Not in

Good Standing may be established in the Rules and Regulations, including, but not limited to, limitations on Association involvement, restrictions on community access, and reductions in community privileges. A Member Not in Good Standing may be restored to good standing upon a majority vote of the Board at any time, and when the Board makes a Member Not in Good Standing designation, the Board may choose to place terms on the Member Not in Good Standing designation being immediately rescinded upon certain actions being taken, such as payment of arrearage or remedies of a violation, with these terms being reflected in the minutes of the Board meeting in which the Member is determined to be a Member Not in Good Standing.

## ARTICLE 3

### MEETING OF MEMBERS

Section 3.1. Place of Meeting. All meetings of Members shall be held at the location within New Hanover County, North Carolina, designated in the notice of the meeting.

Section 3.2. Annual Meetings. The annual meeting of Members of the Association shall be held at least once a year. The annual meeting of Members shall be held at such date and time as may be determined on an annual basis by the Board of Directors and stated in the notice of such Members' meeting. The annual meeting of Members shall be held for the purpose of electing directors of the Association, and for such other purposes as may be included in the notice of such meeting.

Section 3.3. Special Meetings. Special meetings of the Members may be called at any time by (a) the President, (b) the Board of Directors of the Association, or (c) the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed in such request to be considered at the meeting, and in which case shall be noticed by the Secretary of the Association and the meeting shall be held within thirty (30) days of receipt of a written request signed, dated, and received by the Secretary. The signatures on a petition requesting a special meeting shall be valid for a period of ninety (90) days after the date of the first signature. The Member-written request for a special meeting shall: (1) specify the purposes for which the meeting is to be held; (2) the purposes listed must be items upon which the Members have the right to vote; and (3) be delivered to the Secretary or Island Administrator in writing.

Section 3.4. Notice of Meetings. Notice of meetings of Members shall be given by the Island Administrator, President, Secretary, or other person calling the meeting by any means that is fair and reasonable, and for this purpose, written or printed notice stating the time, place, and date of the meeting shall be delivered by hand-delivery, electronic mail, or by United States mail (postage prepaid) not less than ten (10) nor more than sixty (60) days before the date thereof, to each Member of record entitled to vote at such meeting,

unless the North Carolina Nonprofit Corporation Act or the Association's Articles of Incorporation require that such notice be given to all Members with respect to such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, correctly addressed to the Member at the Member's address as it appears on the current record of Members of the Association, with postage thereon prepaid. For this purpose, a Member's address shall be the mailing address of each Lot or to any other mailing address designated in writing by the Member to the Secretary of the Association or the Island Administrator. If sent electronically, such notice shall be deemed effective when sent to the recipient, correctly addressed to the Member at the Member's email address as it appears on the current record of the Members of the Association, without the sender receiving a failed email delivery return notice.

Notwithstanding the foregoing, if the notice provided for above clearly would not be fair and reasonable under the circumstances then existing, then notice appropriate for the circumstances shall be given; PROVIDED, HOWEVER, that notice of a meeting where any of the following matters are to be voted on in all events shall be given as provided in the first paragraph of this Section: (i) director conflict of interest or indemnification, (ii) amendment to the Association's Articles of Incorporation or Bylaws, (iii) plan of merger or dissolution, or (iv) a sale of assets other than in the regular course of the Association's activities.

The notice of any meeting shall state the items on the agenda, including a summary or copy of any proposed amendment to the Bylaws or Articles of Incorporation and any proposal to remove a director or officer, and shall include any other matters and a copy or summary of any proposed action that expressly is required by the provisions of the North Carolina Nonprofit Corporation Act or the North Carolina Planned Community Act. Only those matters which are stated in the notice may be acted upon at a meeting of Members.

Also, notice of an annual, regular, or special meeting of Members shall give notice of any matter a Member intends to raise at the meeting if the Association receives a written request of any matter the Members intend to raise by Members entitled to call a special meeting pursuant to Section 3.3 ("Special Meetings") of this Article, and such written request is received by the Secretary or President of the Association at least ten (10) days before the Association gives notice of such meeting.

In the event business cannot be conducted at any meeting of Members because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. If any meeting of Members is adjourned by the vote of a majority of votes cast on the motion to adjourn to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is

announced at the meeting before adjournment and if a new record date is not fixed for the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed pursuant to North Carolina law, notice of the adjourned meeting must be given as provided in this Section to the Members of record entitled to vote at the meeting as of the new record date.

Section 3.5. Waiver of Notice of Meetings. Any Member may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the Member, and delivered to the Association for inclusion in the minutes or filing with the corporate records. A Member's attendance, in person or by proxy, at a meeting (a) waives objection to lack of notice or defective notice of the meeting, unless the Member or the Member's proxy at the beginning of the meeting objects to holding the meeting or transacting business thereat, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member or the Member's proxy objects to considering the matter before it is voted upon.

Section 3.6. Quorum. Unless provided otherwise by the Association's Articles of Incorporation or these Bylaws, twenty-five percent (25%) of the votes entitled to be cast on a matter, represented in person or by proxy, shall constitute a quorum on that matter at the opening of a meeting of Members. Once a Member is present or represented by proxy for any purpose at a meeting, such Member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date (set forth in Section 3.7 below) is or must be set for that adjourned meeting under the North Carolina Nonprofit Corporation Act.

Section 3.7. Record Date to Determine Members and List of Members. The record date for determining which Persons are Members and therefore entitled to vote shall be the close of business on the thirtieth (30th) day prior to the date of the meeting, unless the Board of Directors shall determine a record date closer to the meeting date. The Board of Directors is not permitted to set a record date retroactively. The membership list shall be current as of the record date. Before each meeting of Members at which a vote shall be taken, the Association shall prepare a list of the Members entitled to notice of the meeting and entitled to vote at the meeting, showing each such Member's address. The list shall be kept on file at the principal office of the Association for the period beginning fifteen (15) days before the meeting and continuing through the meeting, and shall be available for inspection during such time by any Member, personally or by or with such Member's representative, at such a reasonable, mutually convenient date and time as set by the Island Administrator or his designee and the Member. A determination of Members entitled to notice of, or to vote at, a membership meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote, which the Board of Directors shall do if the meeting is

adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

Section 3.8. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings. The President may appoint a parliamentarian at any meeting of the Association. The President shall, in his sole discretion, determine the procedural manner in which each meeting shall be conducted, and it shall be according to Robert's Rules of Order Newly Revised unless a specific determination is made by the President at the beginning of the meeting otherwise.

## ARTICLE 4

### BOARD OF DIRECTORS

Section 4.1. Number, Election of Directors, and Terms of Office of Directors.

(a) Election of Directors. The number of directors of the Association shall be not less than five (5) and not more than seven (7) as from time to time may be fixed or changed within said minimum and maximum by the Board of Directors. Except as provided in Section 4.4 hereof, the directors shall be those persons who receive the highest number of votes by the Members entitled to vote in the election. All ties shall be broken by coin-toss. The Board of Directors of the Association shall be referred to herein from time to time as the "Board".

(b) Terms of Directors. At the time these Bylaws are adopted, Frank D. Gorham, III ("Gorham"), Patricia M. Roseman ("Roseman"), Dean E. Painter, Jr. ("Painter"), Kenneth R. Budd ("Budd"), Steve Carlson ("Carlson"), Karen Jacobson ("Jacobson"), and Joseph B. Dempster, Jr. ("Dempster") shall continue to serve as Directors as follows: Roseman and Painter shall serve until the Association's annual meeting in 2020 (i.e., at the 2020 annual meeting, the Members shall elect two (2) Directors to replace Roseman and Daniels, unless re-election is sought); Jacobson and Dempster shall serve until the Association's annual meeting in 2021 (i.e., at the 2021 annual meeting, the Members shall elect two (2) Directors to replace Jacobson and Dempster, whose terms expire at the 2021 annual meeting); and Gorham, Carlson, and Budd shall serve until the Association's annual meeting in 2022 (i.e., at the 2022 annual meeting, the Members shall elect three (3) Directors to replace Gorham, Carlson, and Budd, whose terms expire at the 2022 annual meeting). Commencing with the annual meeting in 2020 and every annual meeting thereafter, each newly elected director shall hold office for a term of three (3) years or until such director's death, resignation, retirement, removal, or disqualification. Despite the expiration of a director's term, the director

continues to serve as such until the director's successor is elected and qualifies, or there is a decrease in the number of directors. Directors elected to fill a vacancy shall hold the directorship until the expiration of the term of the person they are replacing.

Section 4.2. Election Procedures and Qualifications.

(a) Election Committee. The Board of Directors may appoint an Election Committee to be composed of Members of the Association who serve for one (1) year or for such other term as set by the Board. The purpose of the Election Committee shall be to receive nominations from the membership for election to the Board on an annual basis as provided herein, or to fulfill such other purposes as prescribed by the Board.

(b) Director Qualifications. No person shall be eligible for election by the Members of the Association as a director unless such person is a Member. No Member shall be elected as a director or continue to serve as a director if the Member is a Member Not in Good Standing.

Section 4.3. Voting, Quorum, and Manner of Acting. Each director shall be entitled to one (1) vote on all matters that come before the Association. A majority of the directors in office immediately before a meeting begins shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Unless a vote of greater percentage is required by the Association's Articles of Incorporation, these Bylaws, the North Carolina Nonprofit Corporation Act, or the Declaration, 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. A director who participates in a meeting by any means of communication by which all directors may simultaneously hear each other during the meeting shall be deemed present at a meeting for all purposes.

Section 4.4. Removal or Resignation of Directors and Filling of Vacancies.

(a) Any director may be removed from office at any time with or without cause by at least a fifty-one percent (51%) vote of all Members present and entitled to vote at any meeting of Members at which a quorum is present. A director may not be removed by the Members at a meeting unless the notice of the meeting states that the purpose or one of the purposes of the meeting is the removal of the director so removed. If any directors are so removed, new directors may be elected at the same meeting.

(b) A vacancy among the directors caused by any reason shall be filled by the remaining directors at a meeting of the Board of Directors held for such purpose promptly after the occurrence of such vacancy. If the directors remaining in office do not constitute a quorum of the Board of Directors, the directors may fill the vacancy by the affirmative vote of a majority

of the remaining directors, or by the sole remaining director, as the case may be. The term of a director elected to fill a vacancy expires at the end of the unexpired term that such director is filling.

(c) A director may resign at any time by giving written notice to the Board of Directors, the President, the Secretary, or the Island Administrator or other managing agent. Unless otherwise specified, such resignation shall take effect upon the receipt thereof and the acceptance of such resignation shall not be necessary to make it effective. A director shall be deemed conclusively to have resigned when that director is no longer a Member or upon any other event of disqualification set forth in these Bylaws.

Section 4.5. Powers and Duties of the Board of Directors. The business and affairs of the Association shall be managed and directed by the Board of Directors, subject to any delegation to the Island Administrator or other managing agent as described in Article 5 herein. Except as provided below, the Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association, including, but not by way of limitation, all powers as set forth in Article 3 of Chapter 55A of the North Carolina General Statutes (North Carolina Nonprofit Corporation Act) and Section 47F-3-102 of the North Carolina Planned Community Act, but may not do any such acts and things which are required by the Declaration, the Bylaws, or the Articles to be exercised and done by the Members. The Board of Directors may delegate to one of its directors, or to a natural Person employed for a specific purpose, the authority to act on behalf of the Board on such matters relating to the duties of the Island Administrator or other managing agent (as defined in Section 5.2 hereof), if any, which may arise between the meetings of the Board of Directors as the Board of Directors deems appropriate. In addition to the duties imposed by any other provision of the Declaration or by any resolution of the Association that hereafter may be adopted, the Board of Directors shall perform the following duties and take the following actions on behalf of the Association, subject to any voting rights of the Members provided by the Declaration, these Bylaws, and the Articles, or by law:

(a) Provide goods and services to the Members in accordance with the Declaration, and shall administer the operation and management of the Association pursuant to the Declaration.

(b) Designate, hire, dismiss, and, where appropriate, compensate the personnel necessary to operate and manage the Common Element as provided in the Declaration, and provide goods and services to the Members and Owners, as provided for in the Declaration, as well as purchase equipment, supplies, and materials to be used by such personnel in the performance of their duties.

(c) Collect the assessments specified in the Declaration, deposit the proceeds thereof in depositories designated by the Board of Directors,

and use the proceeds to administer the operation and management of the Common Elements to the extent the Association is so authorized by the Declaration.

(d) Adopt, amend, and repeal any reasonable rules and regulations not inconsistent with the Declaration and these Bylaws.

(e) Open bank accounts on behalf of the Association and designate the signatories thereon.

(f) Enforce by legal means the provisions of the Association Documents as are in effect from time to time.

(g) Act with respect to all matters arising out of any eminent domain proceeding affecting the Common Elements or other real property in which the Association has an ownership interest.

(h) Notify the Members of any litigation against the Association involving a claim in excess of ten percent (10%) of the amount of the annual budget.

(i) Obtain and carry insurance pursuant to the Declaration, or in such larger amounts as determined by the Board, and pay the premiums therefor and adjust and settle any claims thereunder.

(j) Pay the cost of all authorized goods and services rendered to the Association and not billed to Owners of individual Lots or otherwise provided for in the Declaration.

(k) Acquire, hold, and dispose of Lots and mortgage the same without the prior approval of the Association.

(l) Suspend the right of any Member, Owner, or other user of a Lot, and the right of such Person's household, guests, employees, customers, tenants, agents, and invitees to use the Common Elements.

(m) In advance of each fiscal year, the Board of Directors shall cause to be prepared a proposed budget in compliance with the Declaration, and the annual budget and a Statement of Assets and Liabilities shall be delivered to all Members before the annual meeting of the Members each year.

(n) Adopt an annual budget and make assessments (general, special or otherwise) against the Owners to defray the Common Expenses of the Association pursuant to the Declaration, establish the means and methods of collecting such assessments from the Owners, and establish the period of the installment payment, if any, of the assessments.

(o) Borrow money on behalf of the Association when required for any valid purpose.

(p) Enter into contracts to carry out the business and activities of the Association.

(q) Purchase vehicles, watercraft, and tools and equipment for maintenance, repair, and replacement of the Common Elements and surrounding environmental elements of Figure Eight Island.

(r) Grant easements, rights-of-ways, or licenses over and through the Common Elements pursuant to N.C. Gen. Stat. § 47F-3-102(9).

(s) Declare a Member to be a Member Not in Good Standing and to enforce the limitations and restrictions placed on a Member Not in Good Standing.

(t) Approve or disapprove membership applications from appropriate Persons eligible for membership in the Association, establish reasonable rules and regulations concerning membership qualifications as allowed for herein, and terminate membership as provided for herein.

(u) Convey and exchange a Beach Access as described in the Declaration.

#### Section 4.6. Meeting of Directors.

(a) Types of Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors; PROVIDED, HOWEVER, a regular meeting of the Board of Directors shall be held without notice immediately after and on the same day as the annual meeting of the Association Members during which organizational meeting the directors shall elect officers and may establish a schedule for regular meetings. Special meetings of the Board of Directors may be called by the President, and shall be called by the President or Secretary upon the written request of at least two (2) directors.

(b) Notice. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors, at least two (2) days before the meeting, shall give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Any duly convened regular or special meeting may be adjourned by the directors to a later time without further notice.

(c) Waiver of Notice. Any director may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the director entitled to the notice, and delivered to the Association for

inclusion in the minutes or filing with the corporate records. The attendance by a director at, or the participation of a director in, a meeting shall constitute a waiver of any required notice of such meeting, unless the director, at the beginning of the meeting (or promptly upon the director's arrival thereat), objects to holding the meeting or to transacting any business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

(d) Conduct of Meetings. The President shall preside over meetings of the Board of Directors, and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at the meetings.

(e) Agendas for Regular Meetings. The President or the Secretary shall prepare an agenda for a regular meeting early enough so that it can be available to Association Members to view at the Association's office ten (10) days in advance of the meeting.

(f) Member Participation & Closed Sessions. At regular intervals, the Board shall provide the Members an opportunity to attend a portion of a Board Meeting and to address the Board at such meeting. The Board may place reasonable restrictions on the number of persons who speak on each side of an issue and may place reasonable time restrictions on persons who speak. The President or presiding officer may call the Board of Directors into closed session on sensitive matters such as personnel, legal strategy, or hearings with respect to violations of the Declaration or Rules and Regulations. Any final action taken by the Board of Directors in closed session shall be recorded in the minutes.

Section 4.7. Action by Directors Without Meeting. Action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all members of the Board of Directors and evidenced by one or more written consents signed by each director before or after such action, describing the action taken, and delivered to the Secretary of the Association for inclusion in the minutes or filing with the corporate records.

## ARTICLE 5

### ISLAND ADMINISTRATOR OR OTHER MANAGING AGENT

Section 5.1. Compensation. The Board of Directors may employ, for the purpose of administering the Association, an Island Administrator or other managing agent at compensation to be established by the Board of Directors. The Island Administrator or other managing agent may be a full-time employee of the Association who shall organize, employ (hire and fire), train, and administer the personnel and employees of the Association to perform the managing agent duties set forth below. The Island Administrator may employ or contract with such employees, contractors, and subcontractors as are

necessary for the Island Administrator to perform the duties prescribed to him by the Board, as long as such actions of employment and retention are performed in conformity with the budgetary parameters in the budget for the Association adopted by the Board. The Board of Directors shall impose appropriate standards of performance upon the Island Administrator or other managing agent, and the Island Administrator or other managing agent shall serve at the pleasure of the Board. Unless otherwise determined by the Board of Directors, the Island Administrator shall be the chief executive officer of the Association.

Section 5.2. Duties. The Island Administrator or other managing agent shall perform such duties and services as the Board of Directors shall direct. Such duties and services may include, without limitation, the duties or portions of the duties listed in Section 4.5(a), (b), (c), (e), (h), (i), (j), (l), (m), (p), and (q). However, the Board of Directors may not delegate to the managing agent the powers and duties set forth in Section 4.5(d), (f), (g), (k), (n), (o), (r), (s), (t) and (u). In addition, and generally, the Island Administrator or other managing agent shall perform the obligations, duties, and services relating to the management of the Association in compliance with the provisions of these Bylaws, the Association's Articles of Incorporation, and the Declaration.

## ARTICLE 6

### OFFICERS

Section 6.1. Designation and Duties of Officers. The principal officers of the Association shall be the President (who shall also serve as Chairman of the Board of Directors), the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may also elect an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. All officers shall be Members and shall be members of the Board of Directors. Each officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent, if any, inconsistent with the Declaration and these Bylaws, and shall perform such other duties as may be assigned to such office by resolution of the Board of Directors. If any officer is unable for any reason to perform the duties of the office, the President (or the Board of Directors if the President fails to do so) may appoint another qualified individual to act in such officer's stead on an interim basis.

Section 6.2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors. Any officer may hold more than one position; PROVIDED, HOWEVER, that the offices of President, Vice President, and Secretary shall be held by three (3) different individuals. Each officer shall hold office for a term of one (1) year or until such officer's death, resignation, retirement, removal, or disqualification, or until the election and qualification of such officer's successor.

Section 6.3. Removal and Resignation. Any officer or agent may be removed by the Board of Directors at any time with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed. An officer may resign at any time by notifying the Association in writing of such resignation. A resignation shall be effective upon receipt by the Association unless it specifies in writing a later effective date. In the event a resignation so specifies a later effective date, the Board of Directors may fill the pending vacancy prior to such date; however, the successor to the resigning officer may not take office until the effective date. An officer's resignation does not affect the Association's contract rights, if any, with such officer.

Section 6.4. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The individual appointed to fill a vacancy shall serve for the remainder of the term of the officer such individual replaces.

Section 6.5. President. With proper delegation to the Island Administrator or other managing agent, and, subject to the control of the Board of Directors, the President shall supervise and control the management of the Association in accordance with these Bylaws. The President, when present, shall preside at all meetings of Members. The President, with any other proper officer, may sign any deeds, leases, mortgages, bonds, contracts, or other instruments which lawfully may be executed on behalf of the Association, except where required or permitted by law otherwise to be 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. In addition, the President shall prepare, execute, certify, and record amendments to the Declaration on behalf of the Association. In general, the President shall perform all duties incident to the office of President and such other duties as from time to time may be assigned by the Board of Directors, including serving as chief administrative officer in the absence of an Island Administrator.

Section 6.6. Vice President. In the absence of the President or in the event of the President's death, inability, or refusal to act, the Vice President, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to, all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 6.7. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board of Directors may direct and as may be required by Article 16 of the North Carolina Nonprofit Corporation Act; give or cause to be given all notices required to be given by the Association; give each Owner notice of each assessment against such Owner's Lot as soon as practicable after

assessment is made; provide for each Member or Owner, upon request, a copy of the rules and regulations of the Association; maintain a register setting forth the place to which all notices to Members shall be delivered; make it possible for any Member to inspect and copy at reasonable times and by appointment the records of the Association in accordance with and as required by the North Carolina Nonprofit Corporation Act; and, in general, perform all the duties incident to the office of Secretary. The Secretary may delegate any of these duties and responsibilities to the Island Administrator or other managing agent or other personnel employed by the Association, unless prohibited by law.

Section 6.8. Assistant Secretary. In the absence of the Secretary or in the event of the Secretary's death, inability, or refusal to act, the Assistant Secretary, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of, and be subject to, all the restrictions upon the Secretary. The Assistant Secretary shall perform such other duties as from time to time may be assigned by the Secretary, by the President, or by the Board of Directors.

Section 6.9. Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit, or disburse the same under the direction of the Board of Directors. The Treasurer shall maintain appropriate accounting records as may be required by law and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors. The Treasurer may delegate any of these duties and responsibilities to the Island Administrator or other managing agent or other personnel employed by the Association, unless prohibited by law.

Section 6.10. Assistant Treasurer. In the absence of the Treasurer or in the event of the Treasurer's death, inability, or refusal to act, the Assistant Treasurer, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all the powers of, and be subject to, all the restrictions upon the Treasurer. The Assistant Treasurer shall perform such other duties as from time to time may be assigned by the Treasurer, by the President, or by the Board of Directors.

## ARTICLE 7

### COMMITTEES

Section 7.1. Election Committee. The Board of Directors may establish an Election Committee as set forth in Section 4.2(a) of these Bylaws.

Section 7.2. Architectural Review Committee. This Committee is charged with advising the Board of Directors on the enforcement of the Association Documents applying to the use and development of residential lots on Figure Eight Island. The Committee will review, comment on, and approve

or disapprove plans submitted for development of vacant lots or modification of developed lots. The Board may choose to serve as the Architectural Review Committee and to fulfill all tasks, roles, terms, and conditions set forth for the Architectural Review Committee in the Declaration.

Section 7.3. Finance Committee. Unless delegated by the Board to a Finance Committee, the Board shall serve as the Finance Committee.

Section 7.4. Committees of the Board of Directors. The Board of Directors, by resolution of a majority of the number of directors in office, may designate two or more directors to constitute an Executive Committee and such other committees as the Board of Directors shall deem advisable, each of which, to the extent authorized by the North Carolina Nonprofit Corporation Act and provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the Association. Each committee member serves at the pleasure of the Board of Directors. The provisions of these Bylaws governing meetings, action without meeting, notice and waiver of notice, and quorum and voting requirements of the Board of Directors apply to any committees of the Board of Directors established pursuant to this Section. The designation of any committee of the Board of Directors and the delegation thereto of the Board of Directors' authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon him or her by law.

Section 7.5. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Such committee shall have such duties and responsibilities as may be set forth in the resolution designating the committee, and these committee members shall serve at the pleasure of the Board. For committees set up under this Section 7.5 to which decision-making authority is delegated by the Board of Directors or in any Association Documents, the provisions of these Bylaws governing meetings, action without meeting, notice and waiver of notice, quorum and voting requirements of the Board of Directors shall apply to any such committees. It is provided, however, that the authority of any such committees shall not exceed the power granted to the Association in the Declaration.

## ARTICLE 8

### INDEMNIFICATION AND OTHER DIRECTOR AND OFFICER ISSUES

Section 8.1. Execution of Documents. The Board of Directors has established, or shall establish, by resolution the number of signatories required for execution of all agreements, contracts, deeds, leases, checks, and other instruments of the Association for expenditures or obligations for Common Expenses and all checks drawn upon reserve accounts. Any officer of the

Association or the Island Administrator may be designated by Board of Directors resolution to sign a statement of Common Expenses on behalf of the Association.

Section 8.2. Indemnification. The Association shall indemnify, to the fullest extent permitted by law and this Article, any person who is or was a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding (and any appeal therein), whether civil, criminal, administrative, arbitrative, or investigative and whether or not brought by or on behalf of the Association, by reason of the fact that such person is or was a director, officer, or committee member of the Association, or is or was serving at the request of the Association as a director, officer, committee member, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise or as a trustee or administrator under an employee benefit plan, or arising out of such party's activities in any of the foregoing capacities, against all liability and litigation expense, including reasonable attorney fees; PROVIDED, HOWEVER, that the Association shall not indemnify any person eligible for indemnification under the preceding sentence against liability or expense incurred on account of such person's activities which were at the time taken known or believed by such person to be clearly in conflict with the best interests of the Association or if such person received an improper personal benefit from such activities. The Association likewise shall indemnify any such person for all reasonable costs and expenses (including attorney fees) incurred by such person in connection with the enforcement of such person's right to indemnification granted herein.

The Association shall pay all expenses incurred by any claimant hereunder in defending a civil or criminal action, suit, or proceeding as set forth above in advance of the final disposition of such action, suit, or proceeding upon receipt of and undertaking by or on behalf of such claimant to repay such amount unless it ultimately shall be determined that such claimant is entitled to be indemnified by the Association against such expenses.

The Board of Directors of the Association shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by this Bylaw, including without limitation, (a) a determination by a majority vote of disinterested directors (i) that the activities giving rise to the liability or expense for which indemnification is requested were not, at the time taken, known or believed by the person requesting indemnification to be clearly in conflict with the best interests of the Association and (ii) that the person requesting indemnification did not receive an improper personal benefit from the activities giving rise to the liability or expense for which indemnification is requested, and (b) to the extent needed, giving notice to the Members of the Association.

Any person who at any time after the adoption of this Bylaw serves or has served in any of the aforesaid capacities for or on behalf of the Association shall be deemed to be doing or to have done so in reliance upon, and as

consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

Section 8.3. Compensation of Directors and Officers. No salary or other compensation shall be paid by the Association to any director or officer of the Association for serving or acting as such, but this shall not preclude the payment of salary or other compensation for the performance by any person serving as a director or officer for services provided to the Association in a capacity other than that of director or officer nor shall it preclude the reimbursement of reasonable, ordinary, and necessary expenses incurred in serving or acting as a director or officer.

## ARTICLE 9

### BOOKS AND RECORDS

Section 9.1. Maintenance of Books and Records and Financial Review. The Association shall keep books and records as required by Article 16 of the North Carolina Nonprofit Corporation Act. The Association may cause to be adopted procedures for such level of financial review and compilation of the Association as the Board of Directors may determine appropriate, which may include an audit or some lesser level of review. The cost of any such financial review shall be a Common Expense.

Section 9.2. Availability. The books and records of the Association shall be available for inspection by the Members and their attorneys and accountants pursuant to the terms and conditions of Article 16 of the North Carolina Nonprofit Corporation Act.

Section 9.3. Accounting Report. Within one hundred twenty (120) days after the end of each fiscal year, the Board of Directors shall make available to Members an itemized accounting of the Common Expenses actually incurred and paid for such fiscal year, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves.

In addition, the Board of Directors, in its sole discretion, may authorize an audit of the Association or any other level of financial review of the books and records of the Association, and if authorized, such service shall be a Common Expense of the Association. In the event that a Member or Members request an audit of the Association and the Board of Directors does not authorize an audit, an audit may be conducted and paid for by the requesting Member or Members.

Section 9.4. Fiscal Year. The fiscal year of the Association shall be fixed by the Board of Directors.

Section 9.5. Seal. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed "SEAL"; and such seal, in the form approved by the Board of Directors, shall be adopted by the Board as the corporate seal of the Association.

## ARTICLE 10

### NOTICES

Except as specifically provided otherwise in the Declaration, these Bylaws, or the North Carolina Nonprofit Corporation Act, all notices, demands, bills, statements, or other communications shall be in writing and shall be deemed to have been duly given if delivered personally, electronically, or sent by United States mail, postage prepaid, or if notification is of a default or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid: (a) if to an Owner, at the physical or email address which the Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Owner; (b) if to a Member, at the physical or email address which the Member shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot from which that Member's membership arises; (c) if to the Island Administrator, at the Association's administrative office; and (d) if to a managing agent other than an Island Administrator that does not maintain an office at the Association's administrative office, at the managing agent's principal office or at such other address as shall be designated by notice in writing to the Association. If a Lot is owned by more than one Owner, each such Owner who so designates an address in writing to the Secretary shall be entitled to receive all notices due to Owners, otherwise any Owner receiving the notice shall have the responsibility for notifying the other co-Owners. Similarly, even if a Lot is represented by more than one Member, each such Member shall be entitled to receive all notices due to Members at the address provided by the Member in the Membership Application or at such other address provided to the Secretary; PROVIDED, HOWEVER, only a single notice must be sent to legally married Persons who comprise one membership unit for a Lot.

## ARTICLE 11

### AMENDMENTS TO BYLAWS

These Bylaws may be amended or repealed and new Bylaws may be altered, amended, or repealed at any time by the Members and by the Board of Directors pursuant to the applicable provisions of the North Carolina Nonprofit Corporation Act.

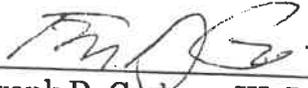
ARTICLE 12

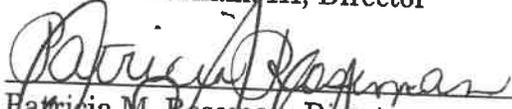
PRIORITY

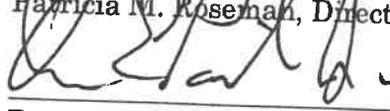
In the event that any of the provisions of these Bylaws conflict with the provisions of the North Carolina Nonprofit Corporation Act, the provisions of the North Carolina Nonprofit Corporation Act shall control. In the event of any inconsistency between the Bylaws and the Declaration, the Declaration shall control, except with regard to membership rights and voting as set forth in the Declaration or as is otherwise expressly provided in the Declaration that the Bylaws shall control; in the event of any inconsistency between the Bylaws and the Articles of Incorporation, the Articles shall control.

The Board of Directors of the Association hereby certifies that the foregoing Bylaws of the Association were duly approved and adopted by the Board of Directors and duly adopted by the Members via written ballot pursuant to N.C. Gen Stat. § 55A-7-08 on June 15, 2020.

IN WITNESS WHEREOF, the undersigned have executed this certificate as of the 16<sup>th</sup> day of June, 2020.

  
\_\_\_\_\_  
Frank D. Gorham, III, Director

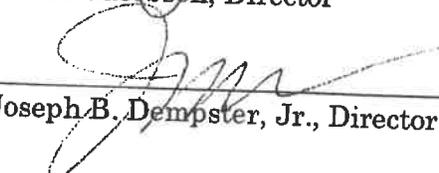
  
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Patricia M. Roseman, Director

  
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Dean E. Painter, Jr., Director

  
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Kenneth R. Budd, Director

  
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Steve Carlson, Director

  
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Karen Jacobson, Director

  
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Joseph B. Dempster, Jr., Director