

BY-LAWS

OF

KITTY HAWK LANDING ASSOCIATION, INC.

ARTICLE I. DEFINITIONS.

Section 1. "Association" shall mean and refer to the Kitty Hawk Landing Association, a non-profit corporation, organized and existing under the Laws of the State of North Carolina.

Section 2. The "properties" shall mean and refer to Sections 1, 2 and 3 of Kitty Hawk Landing and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Properties" shall mean and refer to parks, playgrounds, picnic areas, beaches, streets, parking lots, tennis courts, footways, including buildings, structures, personal properties incident thereto, and any other properties owned and maintained by the Association for the common benefit and enjoyment of the residents within the properties.

ARTICLE II. LOCATION.

The principal office of the Association shall be located at Kitty Hawk, North Carolina.

ARTICLE III. MEMBERSHIP.

Section 1. Members of the Association shall be those persons owning or acquiring title, legal or equitable, to any lot of the properties as more specifically set forth in Paragraph 9 of the Declaration of Restrictive Covenants for Kitty Hawk Landing as amended (hereinafter referred to as "Covenants") to which reference

is hereby made and which Covenants as amended are incorporated herein. The Developer of Kitty Hawk Landing shall not be a member of the Association.

Section 2. The rights of the membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which such assessments are made as provided by Paragraph 9 of the Covenants.

Section 3. The membership rights of any persons whose interest in the properties is subject to assessments under Section 2 of this Article, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period which the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored.

#### ARTICLE IV. VOTING RIGHTS.

Section 1. The Association shall have one class of voting membership.

The owner or owners of each lot shall have one vote for each lot owned, which vote may be exercised in person or by proxy.

#### ARTICLE V. PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTIES.

Section 1. Each member shall be entitled to the use and enjoyment of the Common Properties and facilities as provided by the Covenants.

Section 2. Any member may delegate his rights of enjoyment in the Common Properties and facilities to the members of his family who reside upon the property or to any of his tenants who reside thereon.

#### ARTICLE VI. ASSOCIATION PURPOSES AND POWERS.

Section 1. The Association has been organized for the purposes more specifically set forth in Article THIRD of the Articles of Incorporation.

Section 2. The Association shall have the authority to borrow money for purposes of improving the Common Properties and in aid thereof to encumber said properties as more fully provided in Paragraph 8 of the Covenants.

Section 3. The Association shall have the right to establish reasonable rules and regulations governing the use of the Common Properties as set forth in Paragraph 8 of the Covenants.

Section 4. The Association shall have the right to levy annual and special assessments as provided in Paragraph 9 of the Covenants.

Section 5. The Association shall have such other rights as are provided in the Covenants, Articles of Incorporation and under the Laws of the State of North Carolina.

ARTICLE VII. BOARD OF DIRECTORS.

Section 1. The Corporation shall have a Board of Directors consisting of not less than three (3) persons, each of whom shall be a member of the Association. The Directors named in the Articles of Incorporation of the Corporation shall serve until their successors are duly elected. The number of Directors may be increased from three (3) to six (6) Directors at any time by action of the Board of Directors or upon petition duly executed by twenty-five percent (25%) of the members of the Association. Upon increase of the number of Directors from three (3) to six (6), each Director shall serve for a term of three (3) years. The terms of the Directors shall be staggered so that two (2) Directors shall be elected each year.

Section 2. Vacancies in the Board of Directors shall be filled by a majority vote of the remaining Directors, any such appointed Director to hold office until his successor is duly elected.

ARTICLE VIII. ELECTION OF DIRECTORS; NOMINATING COMMITTEE.

Section 1. Election of the Board of Directors shall be by written ballot as hereinafter provided. At such election, the members or their proxies may cast



in respect to each vacancy as many votes as they are entitled to exercise pursuant to the Covenants. The names receiving the largest number of votes shall be elected.

Section 2. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the standing committees of the Association.

Section 3. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the members.

Section 4. All elections of the Board of Directors shall be made on a written ballot which shall:

- (a) Describe the vacancies to be filled;
- (b) Set forth the names of those nominated by the Nominating Committee for such vacancies; and
- (c) Contain a space for a write-in vote by members for any such vacancy. Such ballot shall be prepared and mailed by the Secretary to the members at least fourteen (14) days in advance of the date set forth therein for return (which date shall be a date not later than the day before the Annual Meeting or Special Meeting called for elections).

ARTICLE IX. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

Section 1. The Board of Directors shall have power:

- (a) To call Special Meetings of the members whenever it deems it necessary, and it shall call the meeting at any time upon written request of twenty-five percent (25%) of the voting membership.
- (b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation,

and require of them any security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer, or director of the Association in any capacity whatsoever.

(c) To establish, levy and assess and collect the annual assessments as provided in the Covenants.

(d) To evaluate and recommend to the members of the Association the levy of special assessments as provided in Paragraph 9 of the Covenants.

(e) To adopt and publish rules and regulations governing the use of the Common Properties and the personal conduct of the members and the guests thereon.

(f) To exercise for the Association all powers, duties and authorities vested in or delegated to the Association, except those reserved to the members.

Section 2. It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the Annual Meeting of the members or at any Special Meeting.

(b) To supervise all officers, agents and employees of the Association and to see that their duties are properly performed.

(c) To fix the amount of each annual assessment against each lot; to prepare a roster of properties and assessments applicable thereto which shall be kept in the office of the Association and open for inspection by any member; and to send written notice of each assessment to every owner subject thereto.

(d) To issue or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has

been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE X. DIRECTORS' MEETINGS.

Section 1. The Board of Directors shall hold meetings from time to time as required to conduct the affairs of the Association and shall determine the date, place and time of such meetings.

Section 2. A majority of the Board of Directors shall constitute a quorum at the meeting.

ARTICLE XI. OFFICERS.

Section 1. The officers shall be a President, a Vice President, a Secretary and a Treasurer. Any Director is eligible to serve as an officer, and any officer may hold more than one office except that the President and Secretary shall not be the same person.

Section 2. The officers shall be chosen by a majority vote of the Directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

Section 4. The President shall see that orders and resolutions of the Board of Directors are fulfilled and shall sign all notes, leases, mortgages, deeds and other written instruments and shall sign checks if so directed by the Board of Directors.

Section 5. The Vice President shall perform all the duties of the President in his absence.

Section 6. The Secretary shall be ex officio the Secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a

*by virtue of*



book kept for such purpose, shall keep the records of the Association and shall record the names of all members of the Association, together with their current addresses.

Section 7. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that the Board of Directors may establish a budget and authorize disbursement of funds by the Treasurer within the limits of the budget so adopted. The Treasurer shall sign all checks and notes of the Association, and the Board of Directors may further require that the Treasurer also sign checks. The Treasurer shall keep proper books of account, shall prepare an annual budget and an annual Balance Sheet and a Statement of Income and Expenses for the preceding year which shall be presented to the membership at its regular Annual Meeting.

ARTICLE XII. COMMITTEES.

Section 1. The standing committees of the Association shall be:

- (a) The Nominations Committee
- (b) The Environmental Control Committee
- (c) The Recreation Committee
- (d) The Maintenance Committee
- (e) The Audit Committee

Section 2. The Committees shall consist of such persons as may be appointed and removed from time to time by the Board of Directors.

Section 3. The Committees shall have such duties as are from time to time prescribed by the Board of Directors except that the Environmental Control Committee shall have such duties and responsibilities as are prescribed by the Covenants.

ARTICLE XIII. MEETINGS OF MEMBERS.

Section 1. A regular Annual Meeting of the members shall be held during the month of May of each year at such place, date and time as may be prescribed by the Board of Directors.

Section 2. Special Meetings of members may be called at any time by the President, a majority of the Board of Directors or upon written request of twenty-five percent (25%) of members having the right to vote.

Section 3. Notice of any meeting shall be given to the members by the Secretary, which notice shall be sent to the last known address of such member as it appears on the books of the Corporation. Notices shall be mailed to each member at least ten (10) days in advance of any meeting of the membership, and the notice shall set forth in general terms the nature of the business to be transacted.

Section 4. The presence at the meeting of members or proxies entitled to cast one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action governed by these By-Laws.

ARTICLE XIV. PROXIES.

Section 1. At all corporate meetings of the members, each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary.

ARTICLE XV. BOOKS AND PAPERS.

Section 1. The books, records and papers of the Association shall at all times during reasonable business hours be subject to the inspection of any member.

ARTICLE XVI. CORPORATE SEAL.

Section 1. The Association shall have a seal in circular form, having within its circumference the words "Kitty Hawk Landing Association, Inc., North Carolina 1978".



ARTICLE XVII. AMENDMENTS.

Section 1. The By-Laws may be adopted, amended or repealed

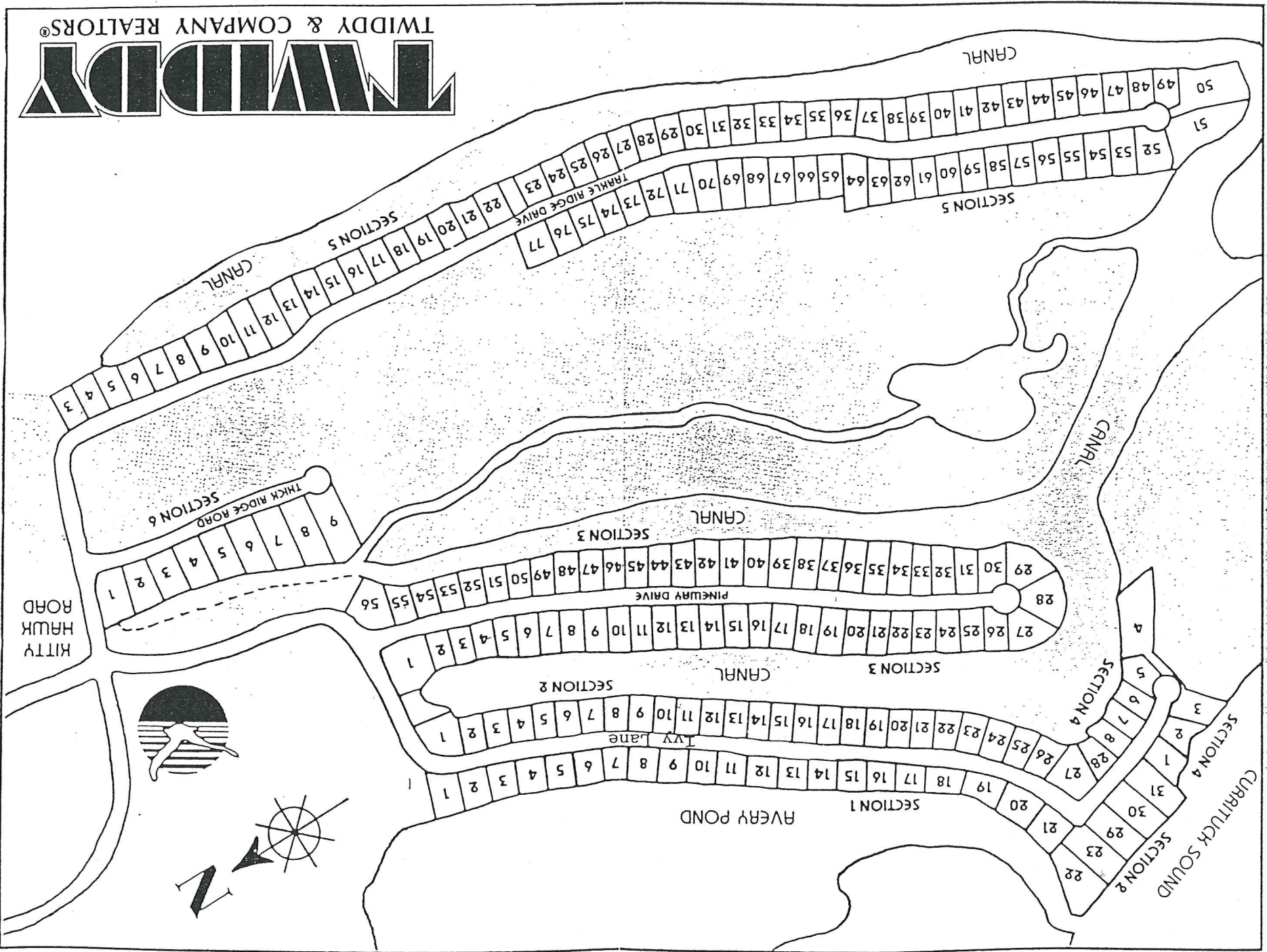
(a) By the Board of Directors, subject always to the power of the members to change or repeal such By-Laws; or

(b) By the vote or written consent of a majority of the members entitled to vote or the vote of a majority of the quorum at any meeting duly called for such purpose; provided, however, that a By-Law fixing or changing the number of Directors may not be adopted, amended or repealed without the vote or written consent of the members entitled to exercise a majority of voting power or the vote of a majority of the quorum at a meeting of members duly called.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Covenants and these By-Laws, the Covenants shall control.

IN WITNESS WHEREOF, We, being all the Directors of the Kitty Hawk Landing Association, Inc., have hereunto set our names this            day of           , 1978 and thereby certify the adoption of these By-Laws.

KITTY HAWK LANDING



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