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BY-LAWS
of
BARNESFIELD PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I
OFFICES:

- Section 1) Principal Office: The principal office of the Association shall be located at Rt. 4, Box 270K, Newport, North Carolina 28570
- Section 2) Registered Office: The registered office of the Association required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.
- Section 3) Other Offices: The Association may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may from time to time determine, or as the affairs of the Association may require.

ARTICLE II
MEETING OF MEMBERS

- Section 1) Place of Meetings: All meeting of shareholders shall be held at the principal office of the Association, or at such other place, located in Carteret County, North Carolina, as shall be designated in the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.
- Section 2) Annual Meetings: The annual meeting of the shareholders shall be held at 2:00 p. m. on the 3rd Sunday in January of each year, if not a legal holiday and if a legal holiday, then the next day following not a legal holiday, for the purposes of electing directors of the Association and for the transaction of such other business as may be properly before the meeting.
- Section 3) Substitute Annual Meeting: If the annual meeting shall not be held on the day designated by these By-Laws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.
- Section 4) Special Meetings: Special meetings of the members may be called at any time by the President, Secretary or Board of Directors of the Association, or by any shareholder pursuant to the written request of the holders of not less than one-third (1/3) of all the votes which may be cast at the meeting.

Section 5) Notice of Meetings: Written or printed notice stating the time and place of the meeting shall be delivered not less than fifteen (15) nor more than fifty (50) days before the date of any members' meeting, either personally or by mail, by or at the direction of the President, the Secretary, or other person calling the meeting, to each member of record entitled to vote at such meeting. 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 record of the members of the Association, with postage thereon prepaid.

In the case of a special meeting, the notice of meeting shall specifically state the purposes or purposes for which the meeting is called; but, in the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless such a statement is required by the provisions of the North Carolina Non-profit Corporation Act.

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

Section 6) Voting Lists: At least ten (10) days before each meeting of members the Secretary of the Association shall prepare an alphabetical list of the members entitled to vote at such meeting, or any adjournment thereof, with the address of and number of votes to which each is entitled, which list shall be kept on file at the registered office of the Association for a period of ten (10) days prior to such meeting, and shall be subject to inspection by any member at any time during the whole time of the meeting.

Section 7) Quorum: A number of persons, represented in person or by proxy, who are entitled to an aggregate number of votes equal to a majority of the total outstanding votes which may be cast by all members of the Association shall constitute a quorum at a meeting of members.

The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

In the absence of a quorum at the opening of any meeting of members, such meeting may be adjourned from time to time by a vote of a majority of the votes cast on the motion; and at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting.

Section 8) Proxies. Votes may be cast either in person or by one or more agents authorized by written proxy executed by the member or by his duly authorized attorney in fact. A proxy is not valid after the expiration of eleven months from the date of its execution, unless the person executing it specifies therein the length of time for which it is to continue in force, or limits its use to a particular meeting, but no proxy shall be valid after ten years from the date of its execution.

Section 9) Voting Rights. The number of votes to which each member of the Association is entitled shall be determined by the By-Laws of the Association as stated herein, or as may be amended; provided that any amendment to voting rights must be approved by a two-thirds vote of the Association members, present or voting by proxy, in the regular meeting of the Association or in a special meeting called for that purpose. Only those members of the Barnesfield Property Owners Association, Inc., whose assessments are fully paid as of the date of the regular or special meeting shall be entitled to vote.

Except in the election of directors as governed by the provisions of Section 3 of Article III, the vote of a majority of the votes cast on any matter at a meeting of members at which a quorum is present shall be the act of the members on that matter, unless the vote of a greater number is required by law or by the Charter or By-Laws of this Association.

There shall be one vote allocated to each unimproved lot in the Subdivision and two votes allocated to each improved lot owned in the Subdivision. An improved lot is defined as a lot upon which a permanent residence has been constructed and is at least seventy five (75%) percent completed at the time a vote is to be taken in accordance with these Bylaws.

Section 10) Informal Action by Members. Any action which may be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the Association to be kept as part of the Association records.

ARTICLE III

BOARD OF DIRECTORS

Section 1) General Powers. The business and affairs of the Association shall be managed by its Board of Directors.

Section 2) Number, Term and Qualifications. The number of directors constituting the Board of Directors shall be five. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been elected and qualified. Directors need not be residents of the State of North Carolina but must be members of the Association whose assessments are fully paid.

- Section 3) Election of Directors: Except as provided in Section 6 of this Article III, the Directors shall be elected by secret ballot at the annual meeting of members; and those persons who receive the highest number of votes shall be deemed to have been elected. The term of office for each director shall be two years. At the initial election of directors, two directors shall be elected for one year, and three (3) directors for two years. Thereafter, all terms shall be for two years.
- Section 4) Cumulative Voting: Cumulative voting shall not be permitted in the election of directors of the Association.
- Section 5) Removal. Any director may be removed at any time with or without cause by a vote which shall constitute a majority of the aggregate total of votes to which all members of the Association may be entitled, and if any directors are so removed, new directors may be elected at the same meeting.
- Section 6) Vacancies. Any vacancy occurring in the Board of Directors or any Directorship which needs to be filled by reason of an increase in the authorized number of directors shall be filled only by election at an annual meeting or at a special meeting of the Association members called for that purpose.
- Section 7) Chairman of Board. There may be a Chairman Pro Tem of the Board of Directors elected by the directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.
- Section 8) Compensation. The Board of Directors are prohibited from receiving any compensation from the Association for their services as such.
- Section 9) Restrictive Covenants. The Board of Directors shall have the authority, on behalf of the members of the Association, upon approval by two-thirds of the members voting at a regular or special meeting, to take such action as may be requested by the Barnesfield Property Owners Association, Inc. to enforce the restrictive covenants governing the Barnesfield Subdivision property as if the individual association members were doing so in their own names on an individual or joint basis.
- Section 10) Term. No Directors shall be allowed to serve more than one term without a vacancy from the Board of at least one year between terms.

- Section 11) Litigation: The Board of Directors is prohibited from initiating any litigation in State or Federal Courts without the assent of two-thirds of the members voting at any regular or special meeting of the Association.
- Section 12) Property: The Board of Directors is prohibited from disposing of any Association property without the assent of two-thirds of the members voting at a regular or special meeting.
- Section 13) Indebtedness and Expenditures: The Board of Directors is prohibited from incurring any indebtedness on behalf of the Association in excess of One Thousand (\$1,000.00) Dollars without the assent of two-thirds of the members of the Association voting at a regular or special meeting. The Board of Directors is also prohibited from making any expenditures of Association funds of more than ten (10%) percent of any line items within the annual budget of the Association, which annual budget will be established at the annual meeting of the Association, without the assent of two-thirds of the members voting at any regular or special meeting.
- Section 14) Budget: The Board of Directors is charged with the responsibility of preparing and presenting to the annual meeting of the Association a budget for the Association for each new corporate year, which budget, subject to any amendments, shall be the budget of the Association for the ensuing fiscal year upon the assent of two-thirds of the members voting at the annual, a regular, or special meeting of the Association.

ARTICLE IV

MEETING OF DIRECTORS

- Section 1) Regular Meetings: A regular meeting of the Board of Directors shall be held within 7 days of the annual meeting of members. In addition, the Board of Directors may provide, by resolution, the time and place, within Barnesfield Property Owners Association, Inc., Carteret County, North Carolina, for the holding of additional regular meetings.
- Section 2) Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. Such meeting shall be held within the Barnesfield area.
- Section 3) Notice of Meetings: Regular meetings of the Board of Directors may be held with 24 hour notice.

The person or persons calling a special meeting of the Board of Directors shall, at least two (2) days before the meeting, give notice thereof to all other directors by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

- Section 4) Waiver of Notice. Any director may waive notice of any meeting. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the purpose of objection to the transaction of any business because the meeting is not lawfully called or convened.
- Section 5) Quorum: A majority of the number of Directors fixed by these By-Laws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.
- Section 6) Manner of Action: Except as otherwise provided in this By-Laws, 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 7) Presumption of Affirmative Vote. A director of the Association who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be presumed to have cast an affirmative vote in favor of the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by certified mail, return receipt, to the secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.
- Section 8) Informal Action by Directors: Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

ARTICLE V

OFFICERS

- Section 1) Officers of the Association. The officers of the Association shall consist of a President who shall be the Chairman of the Board of Directors, a Vice President, a Secretary, a Treasurer, and such additional Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Directors may from time to time elect. Any two or more offices may be held by the same person except that the offices of President, Vice President and Secretary shall be held by different persons, and provided that no officers may act in more than one capacity where action of two or more officers is required. All officers must be members in good standing of the Association.

- Section 2) Election and Term: The officers of the Association shall be elected by the Board of Directors, at their mandatory regular meeting as provided by Section 1 of Article IV of these By-Laws, for a term of one (1) year. In the event of the death, resignation, retirement, removal, or disqualification of an officer during said term, his successor shall be elected by the Board of Directors at the next regular meeting of said Board or at a special meeting called for that purpose. All officers, except secretary-treasurer must be members of the Board of Directors.
- Section 3) Compensation of Officers. No officers shall receive compensation for services to the Association, but provided, however, that any officer may be reimbursed by the Association for expenses incurred in connection with the duties of his office.
- Section 4) Removal: Any officer or agent elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby.
- Section 5) Bonds. The Board of Directors may by resolution require any officer, agent, or employee of the Association to give bond to the Association, with sufficient sureties, conditioned on the faithful performance of the duties of his respective office or position, and to comply with such other conditions as may from time to time be required by the Board of Directors.
- Section 6) President. Subject to the direction of the Board of Directors, the President shall be the chief executive officer of the Association, and shall perform such other duties as from time to time may be assigned to him by the Board. The President shall be ex officio a member of all committees.
- Section 7) Vice President: The Vice President shall have such power and perform such duties as may be assigned to him by the Board of Directors or the President. In case of the absence or the disability of the President, the duties of that officer shall be performed by the Vice President.
- Section 8) Secretary: The Secretary shall keep the minutes of all proceedings of the Board of Directors and of all committees and the minutes of the members' meetings in books provided for that purpose; he shall have custody of the Association seal and such books and papers as the Board may direct, and he shall in general perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors and the President, and he shall also perform such other duties as may be assigned to him by the President or by the Board.
- Section 9) Treasurer: The Treasurer shall have the custody of all the receipts, disbursements, and funds of the Association and shall perform all duties incident to the office of Treasurer, subject to the control of the Board of Directors and the President. He shall perform such other duties as may from time to time be assigned to him by the Board or the President. If required by the Board, he shall give a bond for the faithful discharge of his duties in such sum as the Board may require.

ARTICLE VI

MEMBERSHIPS

Section 1) Qualifications. The members of the Association shall only be the recorded title owners of real property within the Barnesfield Subdivision, Highway 24, Carteret County, North Carolina. Any one or more owners of a lot or portion of a lot within said Subdivision shall be entitled to be members of the Association subject to the voting rights established heretofore in these By-Laws. For purposes of voting rights and other attributes of memberships, the ownership of individual property shall be treated as an entity whether owned individually, by one or more persons, or by a corporation. For purposes of explanation of this qualification, if one unimproved lot is owned by three (3) individual people, each person shall be entitled to be a member of the Association, but the lot ownership shall carry with it only one vote as an unimproved lot as heretofore described in these By-Laws. For purposes of definition, recorded title holders to real properties in the Subdivision shall be determined by an examination of the records at the Register of Deeds or the Clerk of Superior Court of Carteret County, North Carolina. The legal title holders to the subject property as shown upon the records of said officers shall determine membership qualifications.

Section 2) Members. A member shall have no vested right, interest, or privilege of, in, or to the assets, functions, affairs, or franchises of the Association, or any right, interest, or privilege which may be transferable or inheritable, or which shall continue after his membership ceases, or while he is not in good standing.

ARTICLE VII

ASSESSMENTS

Section 1) Liability. The Barnesfield Property Owners Association, Inc. shall have the authority to annually assess all members in such amounts as shall be required to enable the Association to carry out its purposes as enumerated in the Articles of Incorporation.

Section 2) Initial Annual Assessment. The initial annual assessment shall be as follows:

- (a) unimproved lots \$ 15.00 each;
- (b) improved lots \$ 30.00 each;

Said assessments are due and payable annually on January 1 of each year. The increased assessment for unimproved lots to improved lots shall be effective on January 1 of the year immediately following the commencement of the improvements to said lot.

- Section 3) Change of Assessments. The amount and frequency of the payment of assessments may be changed only if deemed necessary by the Association, and only upon a two-thirds vote of its members present or voting by proxy, in the regular meeting of the Association or in a special meeting called for that purpose. For purpose of establishing voting rights under this section, members shall have the votes to which they are entitled under the provisions of Article 4 of the Articles of Incorporation of the Association and as further set forth in these By-Laws.

ARTICLE VIII

RULES AND REGULATIONS

- Section 1) Authority. The Board of Directors of the Association shall have the authority to enact reasonable rules and regulations for the use of the common properties and facilities of Barnesfield Property Owners Association, Inc., as defined in its Article IV(a) of the Articles of Incorporation, and rules and regulations so enacted shall be enforced by the officers of the Association or their duly appointed agents.

ARTICLE IX

GENERAL PROVISIONS

- Section 1) Seal. The 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, as impressed on the margin hereof, is hereby adopted as the seal of the Association.
- Section 2) Waiver of Notice. Whenever any notice is required to be given to any member or director by law, by the charter or by these By-Laws, 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 equivalent to the giving of such notice.
- Section 3) Fiscal Year. The fiscal year of the Association shall coincide with the calendar year.
- Section 4) Amendments. Except as otherwise provided herein, these By-Laws may not be amended or repealed and new By-Laws adopted.

Amendment of any By-Law with respect to assessments shall be in accordance with voting requirements of Section 3 of Article VII hereinabove.

Amendment of any By-Law with respect to voting rights in the Association may be accomplished only by a vote of two-thirds of the total votes entitled to be cast by all members, whether present or not, in a regular meeting of the members or in a special meeting called for that purpose.

No By-Law adopted or amended by the members shall be altered or repealed by the Board of Directors.

The members may amend or repeal any other By-Law by a vote of two-thirds of the total number of votes entitled to be cast by all members, whether present or not, in the annual meeting of the members or in a special meeting called for that purpose.

ARTICLE X

DISSOLUTION

- Section 1) In the event of Dissolution, the residual assets of the organization will be turned over to one or more organizations, which themselves are exempt as organizations described in Section 501(c)(3), and 170(c)(2) of the Internal Revenue Code of 1954 or corresponding sections of any prior or future law or to the Federal, State, or local Government for exclusive public purpose.
- Section 2) Notwithstanding any other provision of these By-Laws or the Articles of Incorporation, this corporation will not carry on any other activities not permitted to be carried on by (a) a corporation exempt from Federal Income Tax under Sections 501(c)(3) or the Internal Revenue Code of 19854, or the corresponding provision of any future United States Internal Law or (b) the corporations, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954, or any other corresponding provision of any future United States Internal Law.
- Section 3) This corporation is organized exclusively as a non-profit homeowners association.

ADOPTED this the 18th day of January, 1987.

Cathy C. Smith
Assistant Secretary

CERTIFICATION

I hereby certify that I am the duly elected and qualified Secretary of Barnesfield Property Owners Association, Inc., a non-profit association organized and existing under the laws of the State of North Carolina; that the foregoing is a true copy of the By-Laws duly adopted by the Board of Directors of the Association, on the 18th day of January, 1987, and approved by the members of the Association on the 18th day of January, 1987; and that such By-Laws are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary and have caused the seal of the said Association to be affixed hereto this 18th day of January, 1987.

Cathy C. Smith
Assistant Secretary

SWORN to and subscribed before me this

18th day of January, 1987.

Gloria S. Foscolos

Notary Public

My Commission Expires: 6-17-90



NORTH CAROLINA
CARTERET COUNTY

I, a Notary Public in and for the County and State aforesaid certify that CATHY C. Smith, Assistant, Secretary of Barnesfield Property Owners Association, Inc., personally appeared before me and acknowledged the due execution of the foregoing By-Laws of Barnesfield Property Owners Association, Inc.

Witness my hand and official stamp or seal this 18th day of

January, 1987.

My Commission Expires:

6-17-90

STATE OF NORTH CAROLINA
COUNTY OF CARTERET



Gloria S. Foscolos
Notary Public

The foregoing certificate of _____ is certified to be correct. This instrument was presented for registration and recorded in this office in Book _____, Page _____.

This _____ day of _____, 1987, at _____ o'clock ____ M.

REGISTER OF DEEDS _____