

I. IDENTITY

THESE ARE THE BY-LAWS OF SECTION SEVEN HOMEOWNERS ASSOCIATION, a non-profit (incorporated) association. SECTION SEVEN HOMEOWNERS ASSOCIATION, hereinafter called "ASSOCIATION", has been organized for the purpose of administering the operation and management of SECTION SEVEN OF OLDE POINT. (Said property consisting of 23 lots/tracks of land) situate, lying and being in Pender County, North Carolina.

- A. The provisions of these By-Laws are application to SECTION SEVEN and the terms and provisions hereof are expressly subject to the terms, provisions, conditions and authorization contained in the Articles of Association which were recorded in the Public Records of Pender County, North Carolina, in Bool 743, Page 229 of the Covenants which were recorded in the Public Records of Pender County Register of Deeds Office in Book 743, Page 215. The terms and provisions of said Articles of Association to be controlling wherever the same may be in conflict herewith.
- B. All present or future owners, tenants, future tenants, or their employees, or any other person that might use SECTION SEVEN or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws and said Articles of Association, as restricted by the Declaration of Restrictive Covenants.
- C. The office of the Association shall be with the incumbent President of the Association and at P. O. Box 1094, Hampstead, North Carolina, 28443.
- D. The fiscal year of the Association shall be July 1 - June 30.

II. MEMBERSHIP, VOTING, QUORUM, PROXIES

- A. The qualification of members shall be as set forth in Article III of the Articles of Association, (Every owner of a lot in the Subdivision shall be a member of the Association) and #1(d) in the Declaration of Restrictive Covenants, ("Lots" means those portions of the property specifically allocated, platted and recorded as lots for sale and/or used as single-family residences.)
- B. Voting by members shall be as set forth in Article IV of the Articles of Association: There is "one vote in the affairs of the Association for each membership owned. When more than one person holds an interest in any membership, the vote for such membership shall be exercised as they among themselves shall determine, but in no event shall more than one vote be cast with respect to any such membership."
- C. Proxies will be acceptable for the acceptance of the By-Laws and Amendments to the By-Laws. A quorum at members' meetings shall consist of sixty per cent (60%) of the number of improved lots. Any lot owner present may vote and count towards a quorum whether the lot is improved or not

- D. There shall be one vote per lot (no fractional votes allowed). In the absence of official protest, any owner present may vote for all owners of the lot.
- E. Votes may be cast in person only. Proxies shall be valid only for acceptance of the By-Laws and Amendments to the By-Laws and must be filed with the Secretary before the appointed time of the meeting. Failure of owners to express the desired use of their proxy by return mail will make the Board of Directors responsible for casting their vote for them.
- F. Except where otherwise required under the provisions of the Articles of Association or the By-Laws, or whether the same may otherwise be required by law, the affirmative vote of the persons entitled to cast a majority of the votes at any duly called members' meeting at which a quorum is present shall be binding upon the members.

III. ANNUAL AND SPECIAL MEETING OF MEMBERSHIP

- A. The annual members' meeting for the purpose of electing Officers and Directors, and transacting any other business authorized to be transacted by the Board of Directors and/or members, shall be held at a date, time and place designated by the Board of Directors, but no more than two weeks before, on or after July 1st.
- B. Special members' meetings shall be held whenever called by the President, Vice President or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from any five members of the Association.
- C. Notice of all members' meeting, regular or special, shall be given by the President, Vice-President or Secretary of the Association, in writing and shall state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than thirty (30) days prior to the date set for each meeting, which notice shall be e-mailed or presented personally to each member within said time.
- D. At least fifteen (15) days prior to every annual meeting, a complete list of members entitled to vote at such meeting, arranged alphabetically with addresses of each, shall be prepared by the Secretary. Such list shall be produced at the office of the Association, and shall be opened to examination by any member.
- E. The order of business at annual members' meetings, and as far as practical at any other members' meetings, shall be
 - a. Calling of the roll and certifying of proxies, when required;
 - b. Proof of notice of meeting;
 - c. Reading and disposal of any unapproved minutes;
 - d. Reports of Officers, including a Treasurer's report;

- e. Reports of Committees;
 - f. Unfinished Business;
 - g. New Business;
 - h. Election of Officers and/or Directors;
 - i. Adjournment
- F. The minutes of the annual meeting should be mailed to the entire membership within thirty (30) days after the annual meeting.

IV. BOARD OF DIRECTORS

- A. The Board of Directors (BOD) of the Association shall consist of at least five (5) owners of lots whose terms shall expire on the date of each annual meeting of members of the Association stated herein above. Each succeeding BOD shall consist of at least five (5) persons, President, Vice-President, Secretary, Treasurer and Director-at-Large, each of whom must be an owner. No Director shall be required to be residing on a lot in SECTION SEVEN. However, non-residents will be expected to be in attendance at all Annual and Special meeting of the membership, and all meetings of the BOD, as though they were a resident in order to carry out the business of the Association. Failure to comply will be grounds for removal from office by majority action of the BOD and the appointment of a replacement as herein provided.
- B. Election of Directors shall be conducted in the following manner:
- a. All members of the BOD shall be elected by a plurality of votes cast at the annual meeting of the members of the Association.
 - b. Vacancies in the BOD may be filled until the date of the next annual meeting by the remaining Directors.
 - c. The term of office of the Directors so elected at the annual meeting of the members shall be for two (2) years expiring at the annual meeting in the second year following their election, and thereafter until their successors are duly elected and qualified or until removed in the manner provided or as may be provided by law. A member of the Board may be re-elected for a maximum of two (2) successive terms, after which time he or she must abstain for two (2) years; he/she can then be again elected to the Board.
 - d. Each lot shall have one vote for each office.
- C. The organizational meeting of each newly elected BOD shall be held within thirty (30) days of their taking office at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected and no notice of the organizational meeting shall be necessary.

- D. Regular meeting dates of the BOD may be determined at the organizational meeting or as subsequently set by a majority of the members at a called meeting for that purpose. Special meetings of the BOD may be called by the President or Secretary at the written request of one of the members of the BOD. Notice of a regular special meeting must be given no less than three (3) days prior to same by mail, telephone, or in person. Any Director may waive notice at a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. All meetings of the BOD shall be open to any member of the Association who wishes to attend.
- E. The Officers of the Association shall preside, in order of authority, at all meetings of the BOD unless an exception is called for by the total membership present at any meeting.
- F. A majority of the Board shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business. The act of a majority present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting, the Directors then present may adjourn the meeting without further notice other than announcement at the meeting, until a quorum shall be present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.
- G. The Directors shall not be liable to the owners for any mistake of judgement, negligence, or otherwise except for their own individual willful misconduct, bad faith or gross negligence.
- H. Neither Directors nor Officers shall receive compensation for their services as such; however, the BOD may order reimbursement of any Officer or Director for expenses incurred for and on behalf of the Association.
- I. All powers and duties of the Association shall be exercised by the BOD, including those existing under the common law and statues, Articles of Association, Declaration of Restrictive Covenants, and these By-Laws. Such powers and duties shall be exercised in accordance with them, and shall include, without limiting the generality of the foregoing, the following:
 - a. To make, levy, and collect assessments against members to defray the cost of road maintenance, upkeep of common areas, and to expend any sums necessary for said cost and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association, provided; however, the annual assessment may not be increased more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership. The initial assessment was set at one hundred and fifty dollars (\$150) per member at its organizational meeting of June 11, 1995. On June 25, 2022, the membership voted to increase the annual assessment to three hundred dollars (\$300) beginning July 1, 2023. A late fee of \$20 or 10% of an assessment will be charged monthly once an annual or special assessment is 30 days overdue beginning July 1, 2022.

- b. To make further improvement to the common property, real and personal, and to enter into any and all contracts necessary or desirable to accomplish said purpose.
 - c. To make, amend and enforce regulations governing the use of the common property so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Association.
 - d. To enforce by legal means or proceeding the provisions of the Articles of Association, Restrictive Covenants and By-Laws of the Association and such regulations hereinafter promulgated governing use of the common property or damage thereto.
 - e. To purchase insurance for protection of the members and the Association against casualty and liability.
 - f. To purchase the necessary equipment and tools required in the maintenance, care and preservation of the property of the Association.
- J. Anyone or more of the members of the Board of may be removed, either with or without cause, at any time by vote of plurality of members subject to these By-Laws, at any special meeting called for such purpose or at the annual meeting. Such action shall be followed by the immediate election to replace the removed officer(s) to carry on the affairs of the Association.

V. OFFICERS

- A. The executive officers of the Association shall be a President, a Vice-President, a Secretary, a Treasurer, and a Director-at-Large, all of whom shall be Directors, who were elected as such by the members of the Association at its annual meeting. The Board of Directors shall from time to time, elect other such officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.
- B. The President shall be the Chief Executive Officer of the Association. S/he shall have all the powers and duties which are usually vested in the office of the president of any association, including, but not limited to the power to appoint committees from among members from time to time as s/he may, in his/her discretion, determine appropriate to assist in the conduct of the affairs of the Association. Notwithstanding the President shall appoint a nominating committee before the members at the annual meeting. Such nominations shall be sent to the members along with the notification of the annual meeting.
- C. The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. S/he shall also generally assist the President and exercise other powers and perform such other duties as shall be prescribed by the Directors.

- D. The Secretary shall keep the minutes of all proceedings of the Directors and the members. S/he shall attend to the giving and servicing of all notices to the members and Directors and such other notices required by law. S/he shall have custody of the seal of the Association, and affix the same to instruments requiring a seal when duly signed. S/he shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors of the President.
- E. The Treasurer shall have custody of all the property of the Association, including funds, securities and evidence of indebtedness. S/he shall keep, or supervise the books of the Association in accordance with good accounting practices, and s/he shall perform all other duties incident to the office of Treasurer.
- F. The Director-at-Large shall be the past President and have no specific duties other than to be a voting member of the Board of Directors, but may from time to time assume the obligations of any office in the absence of another member of the Board of Directors.
- G. As provided elsewhere herein, the President may appoint and define duties for selected committees as required. The Declaration of Restrictive Covenants establishes the Architectural Control Committee (ACC) as a standing committee with specifically defined conditions and duties, which are elsewhere herein incorporated by reference. By way of clarification, the ACC serves the pleasure of the Association membership through the BOD and reports to the BOD.

VI. FISCAL MANAGEMENT

The provisions for fiscal management in the Articles of Association shall be supplemented by the following provisions:

- A. An assessment roll shall be maintained in a set of accounting books in which there shall be an account for each lot owner. Such account shall designate the name and address of the lot owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.
- B. The Board of Directors shall adopt a budget for each fiscal year which shall contain estimates of the cost performing the functions of the Association.
 - a. The out-going Board shall prepare a proposed budget for the incoming Board. The incoming Board shall act on the budget at its first meeting. Upon approval of a budget, it shall be mailed to the entire membership within thirty (30) days for informational purposes. This budget may be amended from time to time by the BOD as they deem necessary, or by the membership at a special meeting.

- b. The depository of the association shall be such bank or banks as shall be the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons are authorized by the Directors.
- c. The President shall appoint an Audit Committee to audit the books prior to the annual meeting and the results shall be duly presented at the annual meeting.

VII. PARLIAMENTARY RULES

Roberts rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Association and these By-Laws or with the Statutes of the State of North Carolina.

VIII. AMENDMENTS TO THE BY-LAWS

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

- A. Amendments may be proposed by the BOD of the Association acting upon a vote of the majority of the Directors, or proposed by members of the Association owning a lot in Section Seven, whether meeting as members of by instrument in writing signed by them.
- B. Proposed amendments shall be transmitted to the President of the Association or other officer in the absence of the President, who shall thereupon call a special joint meeting of the members of the BOD and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment(s) and shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the all of special meeting.
- C. In order for such amendment(s) to become effective, the same must be approved by an affirmative vote of a majority of the entire membership. Thereupon, such amendment(s) to the By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be filed with these By-Laws in the Association's records.
- D. Upon the approval and proper filing of any amendment(s), the same shall become binding upon all lot owners.

The foregoing were adopted as the BY-LAWS of SECTION SEVEN HOMEOWNERS ASSOCIATION, a non-profit (incorporated) association at a meeting of the Board of Directors on May 1, 1996, following a vote of the membership on July 13, 1996.

Amendments identified in Section IV. I. (a) were approved by vote of the membership on June 25, 2022.

