

BYLAWS  
OF  
EMERALD PLANTATION MASTER ASSOCIATION, INC.

ARTICLE I

NAME AND PURPOSE OF ASSOCIATION

Section 1. Name. This nonprofit corporation shall be known as Emerald Isle Master Association, Inc. (herein called the "Association") and shall be organized and maintained as a nonprofit corporation under the laws of the State of North Carolina.

Section 2. Purpose. The purpose of the Association shall be to provide maintenance, preservation, and property control of the residential lots and common areas within the properties which are more particularly defined in the document entitled "Master Declaration of Covenants and Restrictions for Emerald Plantation" (herein called the "Master Declaration") as recorded in Book 525 at Page 341 in the Office of the Register of Deeds of Carteret County, North Carolina, and to promote the health, safety and welfare of the residents within said properties; and to exercise all of the rights and privileges and to perform all of the duties and obligations of the Association as are set forth in the Master Declaration as the same may hereafter be modified or amended from time to time.

ARTICLE II

MEMBERSHIP

Section 1. Membership. Each "Owner" of a "Lot" within the "Properties" which shall become subject to the provisions of the Master Declaration as those terms are defined therein, shall be a member of the Association.

Section 2. Change of Membership. Change of membership in the Association shall be established by the recording of a deed or other instrument in the Office of the Register of Deeds of Carteret County, North Carolina, which deed or instrument shall establish fee simple title in a Lot in the designated grantee who shall thereupon become a member in the Association; provided, however, such grantee shall not be entitled to voting rights as herein provided and as provided in the Master Declaration until such time as a certified copy of such deed or instrument has been delivered to the Association. "Certified Copy" for purposes of this provision shall mean a copy of the deed or instrument certified to be a true copy by the Register of Deeds of Carteret County, North Carolina, or by an attorney at law licensed under the laws of the State of North Carolina. The certified copy of the deed or instrument shall also set forth the book and page number of the Office of the Register of Deeds in which the deed or instrument is recorded.

## ARTICLE III

### VOTING

Section 1. Voting Rights. Voting rights of the membership shall be as provided in the Master Declaration.

Section 2. Proxies. Votes may be cast in person or by proxy. A proxy shall be valid only for the particular meeting designated thereon and must be filed with the Secretary of the Association prior to the appointed time of the meeting.

Section 3. Voting Procedure. The vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by Chapter 55A of the North Carolina General Statutes, the Charter of the Association, these Bylaws, or the Master Declaration. There shall be no right to cumulative vote on any issue brought before the membership of the Association.

## ARTICLE IV

### MEETINGS OF MEMBERSHIP

Section 1. Annual Meeting of Members. The annual meeting of the members of the Association shall be held on the first Saturday of May of each year. Notice of the time and place of holding the annual meeting shall be mailed to each member not less than 10 days nor more than 50 days before the date of such meeting.

Section 2. Special Meetings of Members. Special meetings of the members may be called by the President at any time on his or her own initiative and shall be called by the President or Secretary upon written request of two (2) directors then serving on the Board of Directors or members having one-tenth of the votes entitled to be cast at such meeting. Notice of the meeting shall be mailed to each member not less than 10 days nor more than 50 days prior to the date of such meeting, and at such special meeting there shall only be considered such business as is specified in the notice of meeting.

Section 3. Quorum for Members' Meetings. At all meetings of the Association, either regular or special, members holding one-tenth of the votes entitled to be cast represented in person or by proxy shall constitute a quorum. If a quorum is not present, the presiding officer may adjourn the meeting to a day and hour fixed by such presiding officer.

Section 4. Place of Meetings. All meetings of the membership of the Association shall be held within Carteret County, North Carolina, at a location designated in the notice of meeting.

Section 5. Order of Business. At all meetings of the membership of the Association, the order of business shall be as follows:

- (a) Calling of the roll and certifying of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of immediate prior meeting for information and approval.
- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Election of Directors.
- (g) Unfinished business.
- (h) New business.
- (i) Adjournment.

#### ARTICLE V

##### BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by the Board of Directors or by such Executive Committees as the Board of Directors may establish pursuant to these Bylaws.

Section 2. Number, Term and Qualification. The Board of Directors shall consist of six persons.

- (a) So long as RW<sup>2</sup>, Inc. has the right to appoint four of the six persons serving on the Board of Directors, the remaining two persons who are to be elected by the membership shall be elected for one (1) year terms at each annual meeting of the membership of the Association. The two persons to be elected by the membership shall be at least 18 years of age and shall be a member of the Association or a corporate officer or general partner of a member of the Association. The four persons to be appointed by RW<sup>2</sup>, Inc. need not be members of the Association or a corporate officer or general partner of a member of the Association, but shall be eighteen years of age or older.
- (b) At the first annual meeting after which RW<sup>2</sup>, Inc. no longer has the right to appoint four persons to the Board of Directors, the membership shall elect six persons to the Board of Directors. The two persons

receiving the highest numbers of votes shall each serve a three year term; the two persons receiving the next highest number of votes shall each serve a two year term; and the two persons receiving the next highest number of votes shall each serve a one year term. Thereafter, persons who shall be elected to fill vacancies of directors whose terms have expired shall be elected for three year terms so that two directors will be elected at each annual meeting of the membership of the Association. All persons elected to the Board of Directors by the membership shall be at least 18 years of age and shall either be members of the Association or a corporate officer or general partner of a member of the Association.

Section 3. Removal. Any director may be removed from office without cause by a vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a duly called meeting of the membership. If any directors are so removed, new directors may be elected at the same meeting to fill the unexpired terms of the directors so removed.

Section 4. Vacancies. A vacancy occurring in the Board of Directors may be filled by a majority vote of the remaining directors, though less than a quorum, or by the sole remaining director. A vacancy created by 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 members called for that purpose. The members may elect a director at any time to fill a vacancy for the unexpired term which has not been filled by the directors.

Section 5. Chairman of the Board. There may be a Chairman 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 6. Compensation. The Board of Directors may compensate directors for their services as such and may provide for the payment of all expenses incurred by directors in attending regular and special meetings of the Board.

Section 7. Executive Committee. The Board of Directors, by resolution unanimously adopted by the Board of Directors may designate two or more directors to constitute an Executive Committee and other committees, each of which, to the extent authorized by law 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. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility or liability imposed upon it or him by law.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members. In addition, the Board of Directors may provide, by resolution, the time and place 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.

Section 3. Notice of Meetings. 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 shall, at least two days before the meeting, give notice thereof 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 express purpose of objecting to the transactions of any business because the meeting is not lawfully called or convened.

Section 5. Quorum. A majority of the Board of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6. Manner of Acting. Except as otherwise provided in these Bylaws, 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.

The unanimous vote of the duly elected directors shall be required for the following:

- (a) to adopt a resolution establishing an executive committee; or
- (b) to adopt, amend or repeal any Bylaw; or
- (c) to adopt a resolution to dissolve the Association without the action of the members.

Section 7. Presumption of Assent. A director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his 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

personal acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail 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 of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

## ARTICLE VII

### OFFICERS

Section 1. Number. The officers of the Association shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such Assistant Secretaries, Treasurers and other officers of the Board of Directors from time to time may elect. Any two or more offices may be held by the same person, except that no officer may act in more than one capacity where action of two or more officers is required.

Section 2. Election and Term. The officers of the Association shall be elected by the Board of Directors. Such elections may be held at any regular or special meeting of the Board. Each officer shall hold office until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board with or without cause; but such removal shall be without prejudice to the contrary rights, if any, of the person so removed.

Section 4. Compensation. The compensation of all officers of the Association shall be fixed by the Board of Directors.

Section 5. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall supervise and control the management of the Association in accordance with these Bylaws. He shall sign, with any other proper officer, any deeds, leases, mortgages, bonds, contracts or other instruments which may be lawfully executed on behalf of the Association, except where required or permitted by law to be otherwise 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 and, in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice Presidents. In the absence of the President or in the event of his death, inability or refusal to act, the Vice Presidents, in the order of their length of service as Vice Presidents, 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 to him by the President or the Board of Directors.

Section 7. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of members and directors. He shall give all notices required by law and by these Bylaws. He shall have general charge of the corporate books and records and of the corporate seal, and he shall affix the corporate seal to any lawfully executed instrument requiring it. He shall have general charge of the membership records and shall keep, at the registered or principal office of the corporation, a record of members showing the name and address of each member and the lot owned by such member. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the President or by the Board of Directors.

Section 8. Assistant Secretaries. In the absence of the Secretary or in the event of his death, inability or refusal to act, the Assistant Secretaries, in the order of their length of service as Assistant Secretaries, 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. They shall perform such other duties as may be assigned them by the Secretary, by the President or by the Board of Directors. Any Assistant Secretary may sign, with the President or a Vice President, any document required to be signed by the Secretary.

Section 9. Treasurer. The Treasurer shall have custody of all funds belonging to the Association and shall receive, deposit or disburse the same under the direction of the Board of Directors. He shall keep full and accurate accounts of the finances of the Association in books especially provided for that purpose; and he shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of its operations and of changes in surplus for each fiscal year, all in reasonable detail, to be made and filed at the registered or principal office of the Association within three months after the end of such fiscal year. The statement so filed shall be kept available for inspection by any member of the Association for a period of ten years; and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to any member upon his written request therefor. The Treasurer, in general, shall perform all duties incident to his office and such other duties as may be assigned to

him from time to time by the President or by the Board of Directors.

Section 10. Assistant Treasurers. In the absence of the Treasurer or in the event of his death, inability or refusal to act, the Assistant Treasurers in the order of their length of service as Assistant Treasurers, 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. They shall perform such other duties as may be assigned to them by the Treasurer, by the President or by the Board of Directors.

#### ARTICLE VIII

##### PARLIMENTARY RULES

Section 1. Parliamentary Rules. Roberts Rules of Order (latest edition) shall govern the conduct of meetings of the Association when not in conflict with the Articles of Incorporation of this Association, these Bylaws or with the General Statutes of the State of North Carolina.

#### ARTICLE IX

##### AMENDMENTS TO BYLAWS

Section 1. Amendments. Amendments to these Bylaws shall be proposed and adopted in the following manner:

- (a) Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by members of the Association having one-fourth of the votes entitled to be cast at a meeting of the membership, whether meeting as members or by instrument in writing signed by them.
- (b) Upon any amendment to these Bylaws being proposed by said Board of Directors or members, such proposed amendment shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Joint Meeting of the Board of Directors of the Association 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 and it shall be the duty of the Secretary to give to each member written notice of such meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members is required as herein set forth.

- (c) In order for such amendment to become effective, it must be approved by an affirmative vote of a majority of the entire Board of Directors and by an affirmative vote of three-fourths ~~members~~ of the members present or represented by proxy at such meeting.

## ARTICLE X

### GENERAL PROVISIONS

Section 1. Seal. The seal of the Association shall consist of two (2) concentric circles between which is the name of the Association and in the center of which is inscribed the word "SEAL"; and such seal, in the form approved and adopted by the Board of Directors, shall be the corporate seal of the Association.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name <sup>until</sup> authorized by a resolution of the Board of Directors.

Section 3. Checks. All checks, drafts or other order for the payment of money issued in the name of the Association shall be signed by such officer or officers, agent or agents, as from time to time may be designated and authorized by a resolution of the Board of Directors.

## ARTICLE XI

### INDEMNIFICATION

Section 1. Indemnification. Any person who at any time serves or has served as a director, officer, employee or agent of the Association shall have a right to be indemnified by the Association to the fullest extent permitted by law against:

- (a) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the Association, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and
- (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty or settlement for which he may become liable in any such action, suit or proceeding. 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, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and giving notice to, and obtaining approval by, 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.

Certified to be a true and accurate copy.

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SECRETARY