



BY-LAWS

OF
NATIONAL PROPERTY OWNERS
ASSOCIATION, INC.

THE ONLY JACK NICKLAUS SIGNATURE
COURSE IN THE SANDHILLS

BY-LAWS
OF
NATIONAL PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I. OFFICES

- Section 1.** **Principal Office.** The principal office of the Master Association shall be located at the registered office of the Association except as the Board of Directors may from time to time otherwise designate.
- Section 2.** **Registered Office.** The registered office of the Master 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. THE PROPERTIES AND THE DECLARATION

- (1) Predecessor by change of name to National Golf Corporation, Inc. caused a plat or map of the National Development Corporation (formerly the Pinehurst National Development) to be filed for recording and recorded in Plat Cabinet 4 in the Moore County Public Registry, which property together with such additions thereto as may hereafter be brought within the jurisdiction of the Association is hereinafter called "the Properties."
- (2) National Golf Corporation, Inc. has caused to be filed for recording and recorded in the Moore County Public Registry an Amended and Restated Declaration of Covenants and Restrictions for National Golf Club Development ("the Declaration"), which is duly recorded in Book _____ at Page _____, in the Moore County Public Registry.

ARTICLE III. DEFINITIONS

- Section 1.** "Amenities" shall mean the facilities constructed, erected, or installed on the Common Properties for the use, benefit, and enjoyment of Members.
- Section 2.** "Association(s)" shall mean and refer to the Master Association as defined herein.
- Section 3.** "Architectural Review Board" or "A.R.B." shall mean and refer to that permanent committee of the Master Association created for the purpose of

establishing and enforcing criteria for the construction of improvements within the Property.

- Section 4.** "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Master Association as they may exist from time to time.
- Section 5.** "Assessment" shall mean and refer to those charges made by the Master Association from time to time against Units, Association Members, and the Golf Club Owner for the purposes, and subject to the terms, set forth herein.
- Section 6.** "Association Member" shall mean and refer to an Association which is a member of the Master Association.
- Section 7.** "Club Cottages" shall mean and refer to all present and future lots and the common area owned by the Association, so designated on a recorded map of any portion of the Property. Although not subjected to the North Carolina Condominium Act, where the use of the term "Condominium Residence" or "Condominium" is used herein, Club Cottages shall be included in such term as the content so requires.
- Section 8.** "Common Properties" shall mean all real property owned by the Association for the common use and enjoyment of all members or designated classes of members of the Association and all greenways, easements, roadways, road rights-of-way, median strips, planting areas, and recreational areas.
- Section 9.** "Condominium Residences" shall mean and refer to a residential unit and its undivided percentage of ownership in the common land upon which such condominium is constructed or to be constructed. Also, "Condominium Residence" and "Condominium" shall mean and refer to those Lots hereafter designated as "Club Cottages" in Sections 10-A and 10-B of the Property, even though they have not been subjected to the North Carolina Condominium Act.
- Section 10.** "Country Club Owner" shall mean National Golf Club, Inc.
- Section 11.** "Declarant" shall mean and refer to National Golf Corporation, and those of its successors and assigns, if any, to whom the rights of Declarant hereunder are expressly transferred hereafter, in whole or in part, and subject to such terms and conditions as the Declarant may impose.
- Section 12.** "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions for National Golf Corporation.
- Section 13.** "Development Plan" or "Master Plan" shall mean and refer to that certain graphic representation of the proposed manner of the development of NATIONAL DEVELOPMENT, which is attached to the Declaration as Exhibit "B." Declarant reserves the right to change the number of Units

within National and to change the mix of Unit types. However, any change which would increase the total number of Units to a number in excess of Six Hundred (600) must be approved by a two-thirds (2/3) vote of the Owners (other than Declarant) at a duly called meeting of the Master Association.

- Section 14.** “Development(s)” shall mean and refer to such residential developments including, without limitation, the homeowner and the single-family lots or condominiums which are now or will hereafter be located within National.
- Section 15.** “Improvements” shall mean and refer to all structures of any kind, including, without limitation, any building, fence, wall, sign, paving, grating, parking and building addition, alteration, screen enclosure, sewer, drain, disposal system, decorative building, landscaping or landscape device (including existing and planted trees and shrubbery), or object.
- Section 16.** “Institutional Mortgagee” shall mean and refer to a bank, bank holding company, trust company or subsidiary thereof, savings and loan association, insurance company, union pension fund, mortgage company approved by Declarant, an agency of the United States Government or Declarant, which holds a first mortgage of public record on a Unit, and the holder of any mortgage of public record given or assumed by Declarant, whether a first mortgage or otherwise, and their successors and assigns.
- Section 17.** “Lot” shall mean and refer to any plot of land, Village Home Lot, or Condominium unit shown upon any recorded subdivision map of the Properties on which such plot or unit appears (provided said map has been approved by Declarant), with the exception of the Common Properties, the Golf Course Property, privately owned recreation areas, and non-residential areas.
- Section 18.** “Master Association” shall mean and refer to NATIONAL PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, not-for-profit, its successors and assigns.
- Section 19.** “Master Association Property” shall mean and refer to all real and personal property, including the Common Properties, which may be acquired by the Master Association for the benefit and private use and enjoyment of all Owners.
- Section 20.** “Member” shall mean and refer to Association Members, the Single Family Member, and the Declarant; Declarant shall be a Member of the Master Association from and after the date of recordation of the Declaration.

- Section 21.** “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- Section 22.** “National” shall mean and refer to the planned development project which is located in the Town of Southern Pines and the Village of Pinehurst, Moore County, North Carolina, and formerly known as The Pinehurst National Development, as same is legally described in the zoning applications and approvals.
- Section 23.** “Properties” shall mean and refer to all tracts of the National Development as the same is shown on the map thereof recorded in Map Book _____, Page _____, in the Moore County Public Registry, together with any additional property annexed pursuant to ARTICLE 7 of the Declaration.
- Section 24.** “Single-Family Lot” or “Lot” shall mean and refer to any lot located within the areas of National designated by a “Village Home (VHL) Lot” or a “Single Family Lot” on the Development Plan or on any amendment to the Development Plan, together with the Single-Family Residence, if any, constructed on such lot.
- Section 25.** “Single Family Member” shall mean and refer to the Owner of a Single-Family Lot who is a Member of the Master Association.
- Section 26.** “Single-Family Residence” shall mean and refer to a single-family dwelling constructed or to be constructed on a Single-Family Lot.
- Section 27.** “Street” shall mean and refer to any street, highway, or other thoroughfare which is constructed by Declarant within National and is dedicated to the Master Association or an Association by deed, whether same is designated as street, avenue, boulevard, drive, place, court, road, terrace, way, circle, lane, walk, or other similar designation.
- Section 28.** “Surface Water Management System” shall mean and refer to those lakes, canals, and other facilities created and used for drainage of the Property.
- Section 29.** “Unit” shall mean and refer to a Condominium Residence, Single-Family Lot, or Village Home Lot.
- Section 30.** “Village Home Lot” shall mean and refer to any Lot designated as a “VHL” or a Village Home Lot on the Development Plan or on any amendment to the

Development Plan, together with the Single-Family Residence, if any, constructed on such Lot.

ARTICLE IV. MEMBERSHIP AND VOTING RIGHTS

Classes of Membership and voting rights of Member of the Association shall be as particularly set forth in Article III of the Declaration.

ARTICLE V. PROPERTY RIGHTS

The members of the Association shall have those property rights described in the Declaration, more particularly ARTICLE 4 of the Declaration and the use restrictions contained in ARTICLE 12 of the Declaration, and the easements described in ARTICLE 5 of the Declaration. Mortgagees and insurers of first mortgages on Lots constituting a portion of the Properties shall have those rights described in ARTICLE 6 of the Declaration.

ARTICLE VI. ASSESSMENTS

The Association shall collect from the Association Members, the Country Club Owner, and the Declarant all Annual or General Assessments or charges, Special Assessments, Emergency, and Individual Assessments as provided in the Declaration. Every member shall be subject to the covenant of assessments contained in ARTICLE 6 of the Declaration.

Section 1. Initial Assessment Allocations. The initial assessment allocations during the calendar year 1988 shall be as follows: \$500.00 for each Improved Lot or Condominium Unit; \$375.00 for each Unimproved Lot. Assessments may be increased by the Board of Directors of the Association from time to time as provided in the Declaration; that the general assessment may not be increased during any calendar year in excess of 10 percent of the Schedule of Assessments in effect for the preceding calendar year.

Section 2. Date of Commencement and Proration of Annual or General Assessments Due Date. The Annual or General Assessments will be fixed on a calendar year basis and shall be due and payable annually in advance commencing January 1, 1988. New owners shall make payment of the Annual Assessment on a prorated basis on the first day of the month following the date of closing. Payment of the Assessment shall be past due thirty (30) days after the date of billing. The due date of any Special, Emergency, or Individual assessment shall be fixed in the Resolution authorizing such assessment. The Board of Directors shall cause written notice of every Assessment to be sent to the owner or owners subject thereto at least 30 days prior to the due date thereof; and upon demand at any time cause to be furnished to any person legitimately interested a statement in

writing signed by the President, the Treasurer, or other appropriate officer of the Association setting forth the amount of any unpaid assessments with respect to any Lot subject to assessment by the Association or stating that all assessments with respect to the lot which is the subject of the statement have been paid, as the case may be, between the Association and any person who relies on any such statement so furnished, such statement shall be conclusive evidence against the Association of all facts and figures therein stated to be true and accurate.

Section 3. **Agreement for the Maintenance of Streets.** The Master Association proposes to enter into an agreement with the Declarant under the terms of which the Master Association shall assume the obligation to maintain and repair the roads and roads rights-of-way in the Development. The Annual Assessments levied under this Article shall include an amount estimated by the Master Association to be necessary to maintain the roads and rights-of-way in the Development in accordance with the terms of such Agreement, including the establishment and maintenance of reasonable reserves to cover the future costs of such repair, replacement, or maintenance.

Section 4. **Effect of Nonpayment of Assessments. Remedies of the Master Association.** Any Assessments which are not paid when due shall be delinquent. If any Assessment is not paid on its due date, the Master Association shall assess a late charge of \$25.00 against such delinquent owner. The Master Association shall have the right to bring an action for recovery of the assessment against the owner of the Lot and may file a lien against any Lot owned by the delinquent owner, in accordance with the provisions of the Declaration.

ARTICLE VII. ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. **Annexation by Members.** In addition to the National Golf Club Subdivision as hereinabove described, additional lands may be added and annexed to the Properties as provided in Article 2.2 of the Declaration. A meeting shall be duly called for this purpose, written notice of which shall be sent to all members of the Association, setting forth the time, place, and purpose of the meeting, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

For the purpose of such meeting, the presence thereof of members or proxies entitled to cast sixty (60%) percent of the votes of the members and sixty (60%) percent shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called within sixty (60) days thereafter, subject to the notice requirement set forth above, and the

required quorum of such subsequent meeting shall be one-half (1/2) of the required quorum of the of the preceding meeting.

If a quorum is present and the majority of the votes are cast in favor of the annexation, but the majority is less than two-thirds (2/3) majority of members required for approval of the annexation and it appears that the required two-thirds (2/3) majority may be achieved if members not present or voting by proxy may assent to the annexation, then and in that event the members not present or voting by proxy may assent to or dissent from the proposed annexation in writing within one hundred twenty (120) days following the date of the meeting at which the vote was taken. Each member so assenting or dissenting shall be deemed to have cast, respectively, all of the votes to which he is entitled under the Declaration either in favor of or against the annexation. If the number of votes cast at the meeting in favor of annexation, together with the votes deemed to have been cast by the members assenting to the annexation, shall constitute the requisite two-thirds (2/3) majority of all votes entitled to be cast by the members, the annexation shall stand approved.

ARTICLE VIII. RESTRICTIONS ON USE

The Restrictions on Use of the Lots in the National Development shall be as described in the Declaration, and such Restrictions shall be enforced by the Association as provided in the Declaration.

ARTICLE IX. AMENDMENT OF THE DECLARATION

The Declaration shall only be amended in accordance with the procedures established in the Declaration, which Declaration is incorporated in these By-Laws by reference thereto.

ARTICLE X. MEETING OF MEMBERS AND CONTROL BY DECLARANT

- Section 1.** **Place of Meetings.** All meetings of members shall be held at the principal office of the Association, or at such other place, either within or without the State of 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 members for the election of directors and the transaction of other business shall be held on the second Tuesday of January of each year, with the specific time for the meeting to be established by Resolution of the Board of Directors.
- Section 3.** **Special Meetings.** Special Meetings of the members may be called at any time by the President, Secretary, or Board of Directors of the Corporation, or

by any member pursuant to the written request of not less than one-twentieth of all the members entitled to vote at the meeting.

Section 4. **Notice of Meetings.** Written or printed notice stating the time and place of the meeting shall be delivered not less than ten nor more than fifty days before the date thereof, either personally or by mail, by or at the direction of the President, the Secretary, or other persons calling the meeting, to each member entitled to vote at each such meeting.

In the case of an Annual Meeting, the notice of meeting need not specifically state the business to be transacted thereat unless it is a matter, other than election of Directors, on which the vote of members is expressly required by the provisions of the North Carolina Non-Profit Corporation Act. In the case of a Special Meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

Section 5. **Quorum.** One-tenth of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at meetings of members. If there is no quorum at the opening of a meeting of members, such meeting may be adjourned from time to time by the vote of the majority of the members voting on the motion to adjourn; and, at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

The members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 6. **Voting.** After transfer of control by the Declarant, the Master Association shall have two (2) classes of voting membership consisting of the Condominium Residence Class and the Single-Family Class. Only Members of a specific class shall be entitled to vote on matters solely affecting that particular class. Whether a matter solely affects only one class of voting membership shall be determined by the majority vote of the entire Board of Directors. All Members shall be entitled to vote on all other matters coming before the membership. Each Association Member shall have one (1) vote for each Unit subject to its control, to be exercised by that member of the Board of Directors appointed by the Association Member. Votes shall be cast or exercised by each Association Member in such manner as may be provided in the By-Laws of the Master Association. Each Association Member shall file with the Secretary of the Master Association a notice designating the name of the individual who shall represent the Association Member on the Board of Directors of the Master Association, and who shall be authorized to cast the votes of such Association Member. In the absence of such

designation, the Association Member shall not be entitled to vote on any matters coming before the Board of Directors. Anything contained herein to the contrary notwithstanding, after transfer of control of the Master Association, the Declarant shall be entitled to cast that number of votes equal to the number of Units permitted within National, less the number of Units which Declarant has sold or submitted to an Association at any given time or, in the case of Single-Family Lots, as to which Declarant has transferred fee simple title to an Owner. Members may vote either in person or by any agent authorized by a written proxy executed by the member or by his duly authorized attorney-in-fact.

Except in the election of Directors, the vote of a majority of members of each class voting on any matter at a meeting of members at which a quorum is present shall be the act of the members, unless the vote of a greater number is required by law or by the Charter or By-Laws of this Corporation.

Voting on all matters except the election of Directors may be by voice vote or by a show of hands.

Section 7. Control by Declarant. Notwithstanding any provision herein to the contrary, until the Common Properties are deeded to the Association by the Declarant and control of the Association is turned over to the Membership by the Declarant as provided for in the Declaration, the Declarant shall have sole authority to appoint all members of the Board of Directors and the Architectural Review Board in accordance with the provisions of the Declaration.

Section 8. 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 Corporation to be kept in the Corporation's Minute Book.

ARTICLE XI. DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by the Board of Directors or by such Executive Committee as the Board may establish pursuant to these By-Laws.

Section 2. Number, Term, and Qualifications. The number of Directors of the Corporation shall be fixed by the Board of Directors but in no event shall be less than three nor more than twenty-five. Each Director shall hold office until his death, resignation, retirement, removal, disqualification, or his

successor is elected and qualified. Directors shall be members of the Association but need not be residents of the State of North Carolina.

Section 3. **Election of Directors.** Except as provided in Section 5 of this Article and by Section 7 of Article X, the Directors shall be elected at the Annual Meeting of members. Every member entitled to vote at the election of Directors shall be entitled to vote for as many persons as there are to be elected.

Section 4. **Removal.** Directors may be removed from office with or without cause by a vote of members of each class entitled to vote at an election of Directors. If any Directors are so removed, new Directors may be elected at the same meeting, or as provided in Section 3 of this Article.

Section 5. **Vacancies.** A vacancy occurring in the Board of Directors or a vacancy created by an increase in the authorized number of Directors may be filled by a majority of the remaining Directors.

Section 6. **Chairman.** 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 7. **Executive Committee:** The Board of Directors may, by Resolution, adopted by a majority of the number of Directors fixed by these By-Laws, designate two or more Directors to constitute an Executive Committee, which Committee, to the extent provided in such Resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the Association except that the Executive Committee shall have no authority as to the following matters:

- (1) The dissolution, merger, or consolidation of the Corporation; the amendment of the Charter of the Corporation; or the sale, lease, or exchange of all or substantially all of the property of the Corporation;
- (2) The designation of any such committee or the filling of vacancies in the Board of Directors or in any such committee;
- (3) The amendment or repeal of the By-Laws or the adoption of new By-Laws;
- (4) The amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.

Section 8. **Architectural Review Board.** At the first meeting of the Board of Directors following the turnover of control by the Directors, the Directors shall appoint an Architectural Review Board to perform in accordance with Article II of the Declaration. The Architectural Review Board shall have those powers and authorities more particularly described in the Declaration. The Board of Directors shall designate the Chairman of the Architectural Review Board from time to time as it may deem appropriate.

ARTICLE XII. 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 within the State of 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 meetings may be held within the State of North Carolina.

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.

Attendance by a Director at a meeting shall constitute waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because of the meeting not lawfully being called.

Section 4. **Quorum.** A majority of the Directors fixed by these By-Laws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 5. **Manner of Acting.** Except as otherwise provided in this Section, 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 vote of a majority of the number of Directors fixed by these By-Laws shall be required to adopt a resolution constituting an Executive Committee.

Section 6. **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 person 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 7. **Informal Action by the 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 XIII. OFFICERS

Section 1. **Number.** The officers of the Association shall consist of a President, a Vice-President, a Secretary, and a Treasurer. In addition to these officers, the Board of Directors may, from time to time as it may be necessary, appoint additional Vice-Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers, or any other officers. Any two or more offices may be held by the same person, except the offices of President and Secretary, but 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 at either a Regular or Special Meeting of the Board. Each officer shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified, but in no event for a term exceeding three years.

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 contract rights, if any, of the person so removed.

Section 4. **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 By-Laws. He shall, when present, preside at all meetings of members. He shall sign, with any further proper officer, any deeds, 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 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-President.** The Vice Presidents, in the order of their length of service as such, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and exercise such other powers as the Board of Directors shall prescribe.

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 By-Laws. He shall have general charge of the Association books and records and of the Association seal, and he shall affix the Association seal to any lawfully executed instrument requiring it. He shall have general charge of the membership books of the Association and shall keep, at the registered or principal office of the Association, a record of members showing the name and address of each member. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of the 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. **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. 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 such fiscal year, all in reasonable detail, including particulars as to convertible securities then outstanding, to be made and filed at the registered or principal office of the Association within four months after the end of such fiscal year. The statement so filed shall be kept available for inspection by any members 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 shall, in general, 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 9.** **Assistant Secretaries and Assistant Treasurers.** The Assistant Secretaries and Assistant Treasurers shall, in the absence, disability, or refusal to act, of the Secretary or Treasurer, respectively, perform the duties and exercise the power of these offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.
- Section 10.** **Bonds.** The Board of Directors may by Resolution require any or all officers, agents and employees of the Association to give bond to the Association, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.

ARTICLE XIV. CONTRACTS, LOANS, CHECKS AND DRAFTS & DEPOSITS

- Section 1.** **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the Association, and such authority may be general or confined to special instances.
- Section 2.** **Loans.** No loans shall be contracted on behalf of the Association, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.
- Section 3.** **Checks and Drafts.** All checks, drafts, or other orders for the payment of money issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.
- Section 4.** **Deposits.** All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors shall direct.

ARTICLE XV. GENERAL PROVISIONS

- Section 1.** **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, 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 under the provisions of the North Carolina Business Non-

Profit Corporation Act or under the provisions of the Charter or By-Laws of this Association, 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.** Unless otherwise ordered by the Board of Directors, the fiscal year of the Association shall be from January 1 to December 31.

Section 4. **Distribution upon Dissolution.** Upon dissolution of the Association, its assets shall, after all of its liabilities and obligations have been discharged or adequate provision made therefor, be distributed to any association or associations organized for purposes similar to the purposes of the Association as may be designated by a majority of the directors of the Association then holding office, provided that such association is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1954, as amended.

Section 5. **Indemnification.** Any person who at any time serves or has served as a Director, officer, employee, or agent of the Association, or in such capacity at the request of the Association for any other corporation, partnership, joint venture, trust, or other enterprise, 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 have 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 By-Law, 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.

Any person who at any time after the adoption of this By-Law 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 this provision of this By-Law.

In addition to all of the foregoing, the Board of Directors shall have the right and power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

Section 6. **Amendments.** Except as otherwise provided herein, these By-Laws may be amended or repealed and new By-Laws may be adopted by the affirmative vote of a majority of the Directors then holding office at any regular or special meeting of the Board of Directors; provided, however, that any Amendment hereof which shall have the effect of changing and altering any provision of the Declaration shall be adopted in accordance with the procedures established in the Declaration for its amendment and modification.