

By-Laws

Walnut Island Property Owners Association

109 Faris Dr

P O Box 273

Grandy, NC 27939

Ratified March 9, 2013

By-Laws

Walnut Island Property Owners Association, Inc

A Non-Profit Corporation

Article I. Name and Location of Corporation

The name of this Corporation is the Walnut Island Property Owners Association, Inc., hereafter, referred to as "The Corporation". Its principle office is located in Walnut Island at 109 Faris Dr, North Carolina 27939 off Route 158.

Article II. Mission Statement

The mission of this Corporation is to unify the community, protect property values, maintain compliance with Restrictive Covenants of record and further develop the community in its own best interest.

Article III. Authorized Associate

Section 1. Associate

An authorized associate of the Corporation shall consist of all individuals, and entities having an ownership interest in the land by valid written contract or deed.

Section 2. Property Owner in Good Standing

A property owner in good standing shall consist of any person or entity owning fee simple title in Walnut Island, which shall be current on annual fees and assessments. Such shall be entitled to all rights and privileges herein contained herein providing only the fee simple title owner may cast a vote, Further providing, each lot within the subdivision shall only be entitled to 1 vote.

Section 3. Voting

At the Annual Meeting of the Corporation, the election of directors to the Board and matters regarding the revision of the By-Laws shall be determined by the casting of votes by the property owners of Walnut Island, who are entitled to one vote either in person or by absentee ballot, representative of the sum of the properties owned regardless of the number

of lots, That is to say, each lot is entitled to 1 vote. An individual or entity owning multiple lots shall have multiple votes.

Article IV. Meeting of Property Owners

Section 1. Place of Meeting

Meetings of the Corporation shall take place at the Walnut Island Property Owners Association Clubhouse located at 109 Faris Dr in Walnut Island, Grandy, NC or the Board of Directors may designate another such place as necessary.

Section 2. Annual Meeting

An annual meeting of the Corporation shall be held in the month of May of each year. The property owners shall be notified of the date and time set by the Board of Directors at least (30) days prior to the annual meeting. The purpose of the annual meeting of the Corporation is to elect new directors and transact other business of the Corporation as necessary.

Section 3. Nominating Committee

The Board of Directors shall be elected from property owners in good standing. The names of the nominees shall be presented to the Chairperson of the Nominating Committee ninety (90) days prior to the annual meeting. All nominees to the Board of Directors must be eligible for surety bond coverage. The Corporation as approved by the Board of Directors shall pay for the bond fee.

Section 4. Special Meetings

It shall be the duty of the President to call a special meeting of the property owners as directed by resolution of the Board of Directors, or upon a petition (signed) by ten (10) percent of the property owners in good standing represented in Walnut Island and submitted to the Secretary. Such meeting shall be called within 14 days of the petition's submission to the Board of Directors. No other business shall be conducted at a special meeting except as stated in the notice. The notice of any special meeting shall state the time and place the meeting and its purpose. All notices shall be in writing to allow sufficient time for arrangements to be made by the attendees (minimum 7 days, maximum 10 days).

Section 5. Election of Directors

At the regularly scheduled May general meeting, an election of directors shall be transacted to maintain the Board of Directors to a number of seven (7). Voting will be either by valid

absentee vote or in person. Absentee votes received up to the day prior to a meeting will be tallied by the nominating committee and held in confidence until all votes are cast. An announcement of elected directors will be made prior to the end of the meeting. Newly elected directors shall take office at the regularly scheduled board meeting in June of the year they are elected. Directors will serve a 2 year term and are eligible for re-election by submitting a letter of intention 90 days prior to the end of their term.

Section 6. Quorum

A quorum will consist of the total absentee votes received plus property owners in good standing present at a given meeting. Voting results will be based on a majority of the quorum.

Section 7. Absentee Voting

Absentee Ballots will be sent to each property owner of Walnut Island in good standing not less than forty-five (45) days prior to the scheduled election. Absentee votes cannot be assigned. If the ballot is not received by midnight prior to the election, the vote for said property owner will be considered null and void.

Article V. Board of Directors

Section 1. Powers of the Board

The Board of Directors shall govern the affairs of the Corporation.

Section 2. Vacancies

Vacancies on the Board of Directors shall be filled by a vote of the majority of the remaining directors to fill the unexpired term.

Section 3. Usage of Funds

The Board of Directors enforces the collection of fees and assessments for the purpose of:

1. The establishment of a fund for the eventual purchase and or maintenance of property for community facilities and parks.
2. The purchase of stationary, supplies, postage, printing, rentals and other items pertinent to the Secretary and Treasurer's offices.
3. The payment of legal fees, legal notices, and advertisements published in news media, flyers and newsletters.

4. The payment of annual property and personal taxes levied by Currituck County against the Corporation of the Walnut Island Property Owners Assoc.
5. The purchase of insurance to protect the rights and interest of the Corporation
6. The payment of utility bills for the Corporation and its properties.
7. Payment for improvement of the private roads of Walnut Island.

Section 4. Compensation

No compensation shall be paid to directors for their services as directors. However, directors may be reimbursed for out of pocket expenses occurring in their service to the Corporation, subject to approval by the Board of Directors.

Section 5. Quorum and Manner of Action

Except as otherwise provided by statute of these By-Laws, four (4) directors shall be required to be present to constitute a quorum for the transaction of business at any meeting. In the absence of a quorum a majority of the directors present may adjourn any meeting from time to time until there is a quorum present. Notice of the adjourned meeting need not be given.

Section 6. Regular Meetings

Regular monthly meetings of the Board of Directors shall be held at such times and places as the board shall direct. No notice shall be required for any regular meeting of the board. However, all directors shall be notified in writing of any changes with regard to time or place of a regular meeting. All Board members are required to attend the scheduled meetings of the Board of Directors unless excused.

Section 7. Special Meetings

Special meetings of the Board of Directors may be called by the President with three(3) days notice to each director given personally, by e-mail, telephone or other reliable means of communication stating the time, place and purpose of the meeting. The date on which such notice is delivered shall not count as one of the three days, but the subsequent three days shall.

Section 8. Removal of Board Members

If a board member is absent (3) times without prior notice to another board member, the Secretary will contact the absent member in writing to obtain a written explanation. Once received, a vote will be taken by the remaining members of the Board of Directors to determine if said member should be removed. If it is affirmed, the board member's seat will

be vacated immediately and a replacement will be voted on at the next regular board meeting. The vacated member will not be eligible to serve again on the board for 2 years.

If a board member is accused of gross misconduct, a closed meeting of the Board of Directors with said member present will be conducted to determine the validity of the charge. If the charge is considered to be a crime, charges will be filed with the proper authorities. The member's seat will be suspended immediately pending the outcome of the meeting. If necessary, a replacement will be voted on at the next regular board meeting. This vacated member will never again be eligible to serve on the Walnut Island Property Owners Association Board of Directors.

Article VI. Officers

Section 1. Designation

The principle officers of the Corporation shall be a President, a Vice-President, a Secretary and a Treasurer (or Secretary/Treasurer). Annually, at the regular meeting in October, the Board of Directors shall elect the Officers. Officers of the Corporation do not have to be members of the Board of Directors. If a person is elected to be an officer and is not on the Board, he or she does not have a vote on matters of the Corporation and is not counted as part of the quorum to the Board.

Section 2. President

The president shall be the Chief Executive Officer of the Corporation. He or she shall preside at all meetings (annual and monthly Board of Directors). The President shall have all the general powers and duties which are usually vested in the office of the President of a Corporation, including but not limited to the power to appoint committees from the Associates to assist in the conducting the affairs of the Corporation.

Section 3. Vice President

The Vice-President shall take the place of the President and perform his or her duties whenever the President is absent or unable to act. The Vice-President shall also perform such other duties as may be prescribed by the President.

Section 4. Secretary

The Secretary shall keep the minutes of all meetings of the Board of Directors. The Secretary shall have custody of the Corporation's Seal. The Secretary shall have charge of the list of property owners and of such books, papers and documents as the Board shall direct.

Additionally, all Corporate mail and legal notices shall be directed to the Secretary who shall promptly review the same along with an additional Board member and forward such mail or notice to the proper official.

Section 5. Treasurer

The Treasurer shall have responsibility for Corporation funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books and computers belonging to the Corporation. Monthly reports of the corporate funds will be given at the Board of Directors' meetings. A financial review committee consisting of a board member, a property owner in good standing, whom is not serving the Board, and an individual outside of the Corporation, shall conduct yearly audits of the Treasurer's records or an independent auditor may be selected and retained at the discretion of the Board of Directors.

Section 6. Removal of Officers

Upon an affirmative vote of a majority of the Board of Directors, any officer may be removed from their position but not from the Board unless otherwise determined to be necessary. A successor may be elected at any regular meeting of the Board of Directors or any special meeting of the Board called for that purpose.

Article VII. Corporate Seal

The Board of Directors shall provide a suitable Corporate Seal containing the name of the Corporation, which seal shall be in the charge of the Secretary.

Article VIII. Fiscal Management

Section 1. Fiscal Year

The fiscal year of the Corporation shall begin on the first day of June of each year ending the subsequent year.

Section 2. Reports to Property Owners in Good Standing

At the end of the fiscal year and at such times as the Board of Directors may deem necessary, reports of the fiscal affairs of the Corporation shall be made available for inspection by property owners in good standing. Such inspections shall be had upon reasonable notice, at reasonable times and a reasonable duration. Moreover, such inspections shall be conducted solely in the Corporate Clubhouse unless otherwise directed by the President.

Section 3. Executive of the Corporate Documents

With the prior authorization of the Board of Directors, all instruments and documents shall be executed on the behalf of the Corporation by either the President or the Vice-President and counter-signed by the Secretary or Treasurer.

Article IX. Dissolution

Upon dissolution of the Corporation, the assets thereof, if any, shall after all of its liabilities and obligations have been discharged or adequate provisions made therefore, be distributed to non-profit entities or the Currituck County Government.

Article X. Amendments

These By-Laws may be amended by an affirmative vote of a quorum of property owners in good standing either by absentee voting or in person at the annual meeting. Written notice of proposed changes shall be sent via regular mail forty-five (45) days prior to counting of the votes.

Article XI. Suggested Rules of Procedure

The guidelines contained in the County Commissioners 3rd Edition, by Joseph S Ferrell of the Institute of Government UNC Chapel Hill shall govern this Corporation in all cases to which applicable, and in which they are not inconsistent with the By-Laws or the special rules of order of this Corporation. These rules are considered "Exhibit A".

Article XII. Non-Profit Corporation

This Corporation is a non-profit entity. In the event of dissolution, any officer, director, or property owner within the subdivision will obtain no profit or financial benefit.

Glossary

Fee Simple Title – A legal title meaning complete ownership.



WALNUT ISLAND PROPERTY OWNER'S ASSOCIATION

P.O. BOX 273

GRANDY, N. C. 27939

Dear Walnut Island Property Owner,

The Walnut Island Property Owner's Association is requesting your support for a change to the Association By-Laws. Currently, the By-Laws do not offer a stipulation concerning an elected board member who resigns from their term of office, before the term completion, for reasons other than emergency, change in family situation, or illness.

Being elected and accepting a place on the WIPOA board is a two year commitment. Every board member acknowledges this commitment when they choose to run for election. The Board has constantly been affected with members leaving the Board before their terms are completed. Some leave because of disagreements with other members or home owners and others just because they are tired of the commitment. This often leaves the board without a quorum and without the ability to vote on important issues for the property owners.

Below is the proposed By-Law Amendment. We are asking that you please show your support for this amendment by signing in the place provided and including you address. Property owners are allowed one vote per individual lot owned. If you have combined your lots you have only one vote unless you also own an individual lot then you would have two. If you own three individual lots you have three votes. Please indicate the number of individual lots you own in the space provided below. You will need to mail your signed form to **WIPOA PO. Box 273 Grandy, North Carolina 27939** or you may give your form to a current board member. **Your form needs to be received by May 16, 2014.**

Sincerely,

WIPOA Board

By-Law Amendment Proposal:

To add the following paragraph to Article V. Board of Directors, Section 8 Removal of Board members

"If an elected board member resigns/quits during their term of office before the elected term completion for reasons other than emergencies, family situation changes, or illness, this individual will be unable to serve on the WIPOA board for the duration of two years from the time their original term would have been completed."

Please indicate: Yes ☐ No ☐

Number of lots owned _____ Address _____

Signature _____

The By-law Amendment Proposal was passed on May 17, 2014 by a majority of yes votes
Sandra K. Wadsworth Treasurer