

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

APPROVED JULY 2023
These bylaws supersede and replace in their entirety the bylaws previously existing and applicable to the operation and activities of the Southern Shores Civic Association, Inc.
ARTICLE I NAME AND NATURE
Sec. 1-1 Name. The name of the organization is the Southern Shores Civic Association Inc. (SSCA).
Sec. 1-2 Nature. The SSCA is a private non-profit, non-commercial, non-partisan and non-sectarian organization. In its operations, it shall not practice or allow to be practiced any form of discrimination.
ARTICLE II PURPOSE
Sec. 2-1 In General. The general purpose of the SSCA is, through various means, to promote the interests and welfare and provide a forum for exchange of views of its members and of the owners of property located within the Town of Southern Shores, as well as to inform its members about events, developments, forecasts, and issues of interest to them. The SSCA Board of Directors is the only policy making and governing body for the SSCA. Committees and clubs established by or affiliated with the SSCA (including, without limitation, the Boat Club and the Tennis Club) are subject to SSCA policies, procedures and requirements and are not agents for, and do not have the authority to bind, the SSCA except in connection with and to the extent of the specific scope of delegated authority.
Sec. 2-2 Specific Purposes. Included within the above are, among others, the following specific purposes:
Sec. 2-2.1 Property. To own, manage, maintain, preserve, protect and, if and as appropriate, improve the various common properties of the SSCA for the benefit of its members. It shall be the purpose and a goal of the SSCA, its Board of Directors and its members to act as good stewards of the properties owned by the SSCA.
Sec. 2-2.2 Representation. To represent the property owners and residents of Southern Shores, on SSCA matters, in relations (a) with government officials and agencies at municipal, county, state and federal levels, including representation at judicial proceedings and public hearings; and (b) with other organizations, public and private, inside and outside Southern Shores.
Sec. 2-2.3 Architectural Review. To establish an Architectural Review Board (ARB) to control and maintain the character of building in the Town of Southern Shores consistent with governing covenants, except for the subdivisions of Chicahauk, Pelican Watch, Fairway Drive (Lots 1-20), Southern Shores Landing and Mallard Cove (the "Excluded Properties").
Sec. 2-2.4 Unity. To promote unity of purpose and harmonious relations among the members of the SSCA and between the members and the other residents of Southern Shores.
ARTICLE III MEMBERSHIP
Sec. 3 Eligibility. All (i) owners of real property within the Town of Southern Shores (which may include a corporation, limited liability company, partnership, trust or other legal entity provided that

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

such entity has designated by written notice to the SSCA a natural person as a voter for the membership interest) and (ii) full-time residents within the Town of Southern Shores, whether or not they own property, are eligible to be SSCA members if:

(a) the qualified property or resident is located within the Town of Southern Shores; and

(b) The approved annual membership fee has been paid for the current calendar year (for at least one property, if an owner owns more than one) and the membership applicant and/or his or her property are not in violation of any applicable restrictive covenants or any rules that the SSCA may publish from time to time with respect to the common properties .

(3.1) Limitations. Each property within Southern Shores is entitled to only one membership in the SSCA (and one vote) regardless of the number of owners of a property. For example, if an owner of a property is a member, then a full-time resident who is a renter at the same property may not also be a member. Co-owners of a property (such as a husband and wife) have a single membership and vote for that property. Owners of multiple properties may pay a membership fee for more than one property and may have a vote for each membership.

Sec. 3-2 Good Standing. Any member shall be in good standing if the SSCA dues have been paid for the current calendar year. A new membership initiated within the three-month period prior to the end of the calendar year shall be deemed to include membership for the following calendar year. Any member in **good** standing shall be entitled to exercise the privileges of membership, including those related to voting and the use of SSCA-owned properties. No person who is not a member in good standing may vote on SSCA matters or serve on or in any SSCA Board, committee or office. Membership fees for any year must be received at the SSCA office by December 31 of the previous year, provided, however, that there shall be a grace period to and through the January members' meeting held in any year so that members in good standing from the prior year remain in good standing through such meeting notwithstanding that their dues for that new year have not yet been paid.

Sec. 3-3 Termination. Membership in the SSCA shall not be transferable. Any member may withdraw from the SSCA by notifying the Secretary in writing and returning passes, decals and/or keys. No annual fees will be refunded or prorated.

Sec. 3-4 Membership Meetings. Meetings of the SSCA membership will be scheduled and conducted in accordance with the following provisions:

Sec. 3-4.1 Regular Meetings. Regular meetings shall be held two (2) times a year in January and October on the second Monday of the month.

Sec. 3-4.2 Special Meetings. A special meeting may be called (a) by the President, (b) upon affirmative vote of a majority of the SSCA Board, or (c) upon written petition to the Secretary signed by no less than 15 SSCA members no less than 30 days prior to the date of such special meeting (the petition to specify the agenda item(s) to be covered in such requested special meeting).

Sec. 3-4.3 Quorums; Voting. A quorum shall consist of a minimum of 20 members present at a duly called meeting, and, unless otherwise specifically provided in the Bylaws, the affirmative vote of at least a majority of those members voting on a matter, whether present or voting by absentee ballot, if permitted, shall be required to approve a matter.

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

Sec. 3-4.4 **Notice and Agenda.** No membership meeting shall be held except upon at least 14 days notice to the members, which notice shall include the agenda for the meeting. Agenda items may be initiated by the SSCA Board or upon written petition to the Secretary signed by no less than 15 SSCA members at least 30 days prior to a regular meeting (or as provided in Section 3-4.2 for special meetings). No non-agenda matter may be the subject of action by the membership at a regular or special meeting. Any written notice made by sending it to the e-mail and/or postal address shown in the SSCA records will be valid notice under these Bylaws; provided, however, a written notice must be mailed to the postal address of members who either have not provided the SSCA Secretary or Communications Director a valid e-mail address or who have requested in writing that they be sent notices at their postal addresses.

Sec. 3-4.5 **Robert's Rules.** Membership meetings will be conducted generally in accordance with Robert's Rules of Order, provided, however, that the use of such Rules is for convenience and for maintaining orderly meetings, and any deviation from such Rules shall not be grounds for invalidation of Board or Member actions that otherwise comply with these Bylaws.

Sec. 3-4.6 **Non-Members.** Persons who are eligible for membership in the SSCA but are not members may be afforded speaking time at meetings at the discretion of the SSCA Board.

Sec. 3-4.7 **Voting.** Each eligible member in good standing is entitled to one vote per property membership. Proxy votes are not authorized.

The Board may determine to use electronic ballots and voting by email to allow for more participation by members. Absentee ballots may be requested in lieu of voting electronically.

Voting by absentee ballot on actions taken at membership meetings is permitted only:

- (a) For election of the SSCA Board;
- (b) As otherwise required by these Bylaws; or
- (c) With respect to a matter deemed sufficiently important by the SSCA Board to warrant the use of absentee ballots.

The Bylaws may provide elsewhere for voting by "mail-out" ballots on certain matters, in lieu of voting in person or by absentee ballot at membership meetings. The Board, in its discretion, may determine to use electronic ballots and voting by e-mail if it reasonably determines that this method, in conjunction with mailing ballots to certain members who do not use e-mail, fairly and effectively allows for member participation in the vote.

Sec. 3-4.8 **Voting Procedure at Membership Meetings** - A show of hands for ayes and nays will be counted, plus absentee ballots, if permitted, and recorded in the minutes together with the motion voted on and the names of the members who made and seconded the motion. At the discretion of the Board, written ballots or other practical and reasonable methods may be used for voting at a meeting rather than counting a show of hands.

Sec. 3-5 **Change in Membership Information.** It shall be the responsibility of each member to ensure that the contact information (name, mailing address, email address, telephone number, etc.) shown for him/her in the SSCA records is correct.

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

Sec. 3-6 **Decals and Passes.** Upon payment of the then-current annual membership fee as determined from time to time by the Board, each membership shall be entitled to:

- Two (2) decals for placement on the member's automobiles and
- Two (2) passes

Any payments received after October 1 in any year will be credited for membership for that calendar year (if a new membership) as well as for the following calendar year.

Such decals and passes are evidence of the right to park in designated areas on SSCA-owned real property for the current calendar year.

The Board may determine from time to time to allow members to purchase up to two additional passes and/or decals.

Sec. 3-7 **Membership List.** Neither the SSCA, the SSCA Board nor the SSCA members shall give the SSCA membership list to any individual, group or organization for purposes of solicitation, commercial enterprise, or advocacy.

ARTICLE IV BOARD OF DIRECTORS

Sec. 4-1 **General Powers.** Subject to any limitations or requirements contained in these Bylaws, the SSCA shall be governed by a Board of Directors which shall formulate SSCA plans, policies and programs and engage in such other activities as may be required by these Bylaws or as may otherwise be consistent with the purposes of the SSCA, as stated in Article II and elsewhere in the Bylaws. In the event that a deadline for taking certain action under these Bylaws shall not be met (including, without limitation, those deadlines set out in Articles V regarding the election of Directors and in Section 7-1.8 regarding the Nominating Committee), for whatever reason, the Board of Directors shall have the flexibility to reasonably adjust such deadlines so long as the SSCA and the Members are not adversely affected thereby.

Sec. 4-2 **Number; Eligibility; Conflicts of Interest.** The Board of Directors shall consist of nine (9) members; each serving a three (3) year term, with three terms ending each year.

Only members who are property owners in the Town of Southern Shores shall be eligible to sit on the SSCA Board. In order to encourage and foster the independence of the SSCA and to provide for a healthy balance of interests and powers within Southern Shores, members of the Town Council of Southern Shores (including the Mayor) and employees of the Town and other persons who may have actual or potential conflicts between their interests and those of the SSCA are not eligible to serve on the SSCA Board. Conflicts of interest may be the basis for "good cause" for removal as provided in Section 4-6. If the Board of Directors determines, by majority vote, that a Director has a material conflict of interest, the Board may remove such Director, and a replacement Director shall be appointed as provided in Section 5-8. Only one person per family may serve at the same time on the Board of Directors.

Sec. 4-3 **Term.** A Director shall be elected to serve a three-year term, except as otherwise provided herein. No Director may serve more than six consecutive years on the Board; provided, however, that time spent as an interim replacement, as provided in Sec. 5-8, shall not be counted in the computation.

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

Sec. 4-4 **Method of Election.** The election of new Directors shall occur in January of each year in accordance with the procedures set forth in Article V. A Director's three-year term shall extend until such Director's replacement has been elected at the January member's meeting.

Sec. 4-5 **Board of Directors Quorum; Voting.** A quorum shall consist of 6 (six) members. Once a quorum is present, matters voted on by the Board shall require a majority of those present for approval, unless these Bylaws require a higher number.

Sec. 4-6 **Termination of Director.** For good cause shown, after the opportunity to be heard, a Director of the SSCA Board may be removed for good cause shown by a majority vote of either the members present and voting at a regularly scheduled or special membership meeting as provided in Article III hereof, or by a majority vote of the SSCA Board at a regularly scheduled or special Board meeting as provided in Article IV hereof, provided that the Director and the members (for action at a members' meeting) or the SSCA Board (for action at a Board meeting) are notified in writing in the agenda of this proposed action not less than 14 days prior to the meeting together with the reason(s) therefor. A Director's term shall automatically cease if (a) the Director is no longer a member in good standing of the SSCA or (b) the Director fails to attend two consecutive regularly scheduled meetings of the Board without prior notification to the Board. The President or other person presiding over a Board meeting may excuse an absence, which action shall only be deemed to have occurred if it is recorded in the meeting minutes.

Sec. 4-7 **Meetings of Directors.** The SSCA Board of Directors shall establish a regular schedule of meetings to be held monthly at a time and place to be determined by the SSCA Board. Changes in the regular schedule of meetings may be made with the approval of at least two-thirds of all of the SSCA Directors. Regular meetings shall be open to members of the SSCA and shall be conducted in accordance with Section 3-4.5. Members will be afforded an opportunity to speak at Board meetings upon reasonable request to the Board. The Board may call and hold such other special Board meetings when and where the Board deems necessary and appropriate. Such special meetings may be held in person or by electronic or telephonic means, at the Board's discretion. Such special meetings need not be noticed to the members, provided, however, that any Board action at such meeting remains subject to the Board's quorum and voting requirements otherwise set out in the Bylaws. The Board shall keep minutes of all regular and special Board meetings and shall make these available to the members, subject to the following exception for closed session meetings. In connection with certain confidential matters such as those involving personnel, potential or actual litigation, preserving attorney client privilege and/or negotiating the terms of a material contract (including price), the Board may elect to call a closed session at any regular or special Board meeting and may determine not to make any such minutes available to the members or to reasonably redact or otherwise limit confidential information from any such minutes made available to the members; however, no such closed session shall relieve the Board of following the provisions of Article IX with respect to Transfers of any SSCA Real Property.

ARTICLE V ELECTION OF DIRECTORS

Sec. 5-0 **Nominating Committee.** The Nominating Committee, as described in Sec. 7-1.8, will propose at least one qualified and willing candidate for each open position on the SSCA Board in accordance with the procedure set out in Sec. 5-2, and, if possible, will use reasonable efforts to identify more than one candidate for each position.

Sec. 5-2 **Nominees.** No later than October 1 each year, the duly appointed Nominating Committee shall provide the Secretary with a list of nominees for the SSCA Board in a number at least equal to the number of Directors whose terms shall expire by the following January (See Sec. 4-3).

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

None of the nominees shall be members or family members of the Nominating Committee.

Written notice of the names of the persons so nominated shall be given to the membership no later than November 1, which notice shall call specific attention to the provisions of Article 5-3 respecting the right of the membership to submit additional nominees.

Sec. 5-3 Additional Nominees. The name(s) of one or more additional eligible nominees may be filed in writing with the Secretary no later than December 1 of a given year, provided (i) the nominating petition is signed by at least 20 members in good standing, (ii) the nominee, by signing the petition, has indicated willingness to serve as a Director and (iii) sufficient biographical information is provided on the additional nominee to assist the membership in its consideration of such additional nominee. An additional nomination which fails to meet the requirements of this subsection is void.

Sec. 5-4 Notice to Membership. The notice of the election meeting to be held in January shall identify, in alphabetical order and without reference to the means of nomination, each person nominated for election to the Board as well as a brief biography or synopsis of his or her particular qualifications. When the number of nominees exceeds the number of Directors to be elected, such notice shall be accompanied by a ballot.

Sec. 5-4.1 Absentee Ballot Requirements. When the number of nominees exceeds the number of Directors to be elected, the election notice shall be accompanied by an absentee ballot or shall provide notice that absentee ballots will be provided to the members sufficiently prior to the January meeting to allow absentee voting. However, absentee ballots are not required when voting is done electronically (by mail) but can be requested if a special need exists.

Sec. 5-4-2 The use of electronic voting may be used to encourage greater participation of members in the election process. Electronic ballots will be sent to all current members in good standing.

Sec. 5-5 Eligibility to Vote. Only the votes of members in good standing will be counted.

Sec. 5-6 Selection by Vote. At the January membership meeting the nominees receiving the highest number of votes, whether cast in person or by absentee ballot, shall be elected SSCA Directors, the number thereof to coincide with the number of vacancies occurring. No absentee ballot received less than 48 hours prior to the election meeting shall be counted or considered. Ties shall be decided by the then-current Board at its discretion.

Sec. 5-7 Commencement of Term. A newly elected Director's term shall commence at the termination of the January membership meeting at which time the terms of departing Directors shall end.

Sec. 5-8 Interim Replacement of Directors. Should a SSCA Director resign or otherwise depart from the SSCA Board prior to the expiration of his or her term, a replacement to serve the unexpired term will be elected by a majority vote at the next regular SSCA Board meeting from names submitted by the Nominating Committee. Notice of this appointment shall be made in the next published newsletter.

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

ARTICLE VI OFFICERS
<p>Sec. 6-1 Selection of Officers. The outgoing President shall convene a meeting of the Directors within 10 days following the January membership meeting and shall preside over it until completion of the first order of business, which shall be election, from among and by the Directors, of a President, Vice President, Secretary, and Treasurer, whose terms will commence immediately. The terms of all officers shall continue for one year or until a successor is elected. The Board may at any time thereafter, by a majority vote, remove and replace any officer or Director from an assigned function.</p>
<p>Sec. 6-2 President. The President, as chief executive officer of the SSCA, shall plan, conduct and preside over all meetings of the membership and of the Board, and shall assure that all orders, resolutions and motions of the membership and of the Board are faithfully executed. It is the responsibility of the President to see, generally, that all other officers and Directors perform their respective duties. The President shall sign or authorize the signature of all official correspondence and shall execute any legal documents necessary in the conduct of the SSCA's business.</p>
<p>Sec. 6-3 Vice President. In the absence of the President, the Vice President shall possess all the powers and perform all the duties of the President. The Vice President shall be responsible for carrying out all assignments, duties or responsibilities delegated to him or her by the President.</p>
<p>Sec. 6-4 Secretary. The Secretary shall prepare and publish official minutes of the meetings of the SSCA, maintain a roll of the officers and number of members present at each regular and special meeting and a roll of the Board of Directors and SSCA committees. The Secretary shall also be responsible for maintaining and updating as necessary the Policies and Procedures Handbook.</p>
<p>Sec. 6-5 Treasurer. The Treasurer shall be responsible for the deposit and disbursement of all SSCA funds, to include keeping an accurate and detailed record of all receipts and disbursements. Those records shall at all times be subject to inspection by any member of the Board. He/she is responsible for all internal and external financial reporting. All SSCA funds received shall be deposited in such bank(s) as may be designated by the SSCA Board. All disbursement checks shall be counter signed by two designated SSCA Board members. The Treasurer shall also be the Finance Director. The SSCA may hire a bookkeeper to perform the daily tasks of the association, and will report directly to the Treasurer.</p>
<p>Sec. 6-6 Vacancies. Should any of the above-named offices become vacant; an interim replacement will be named in accordance with the procedures detailed in Sec. 5-8 (for Directors) and Sec. 6-1 (for officers). However, if the vacancy in the office of President is also a vacancy in the number of Directors, the Vice-President immediately becomes interim President and the Board elects a new interim Vice-President. After a replacement Director is elected by the membership, the Board elects a new permanent President and Vice-President at its next regularly scheduled Board meeting.</p>
<p>Sec. 6-7 Indemnities. To the fullest extent permitted by the North Carolina Nonprofit Corporation Act as it exists or may hereafter be amended, no person who is serving or who has served as a Director of the SSCA shall be personally liable for monetary damages for breach of duty as a Director. However, such relief from liability shall not apply in any instance where such relief is inconsistent with Internal Revenue Code Section 4938 (if the association is not a "private foundation" within the meaning of Code Section 509 (a)) or any provision of the code applicable to an association described in Code Section 501 (c) (3) that is a "private foundation" within the meaning of Code Section 509(a). No amendment to or repeal of this Section 6-7, nor the adoption an any other amendment to these</p>

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

Bylaws inconsistent with this Section 6-7, shall eliminate or reduce the protection granted in this Section 6.7 with respect to any matter that occurred prior to such amendment, repeal, or adoption.

Sec. 6-7.1 Directors and Officers Insurance. The SSCA shall purchase and maintain in effect at all times for the benefit of the Directors and officers a policy of directors' and officers' liability insurance in such amount as the Board may determine.

Such insurance shall also cover members of the Nominating committee, the ARB, and other individuals to whom the Board or these Bylaws expressly delegate authority.

ARTICLE VII DIRECTOR DUTIES, COMMITTEES AND BOARDS

Sec. 7-0. Officer Positions on the Board Four (4) of the nine (9) Directors serve in Officer positions for the SSCA. They are the President, Vice President, Secretary, and Treasurer. At the discretion of the Board, a non-officer recording secretary may be retained to record the minutes of SSCA Board and membership meetings.

The officer positions are elected from the nine (9) Directors by a majority vote of the Board. They are elected for a term of one (1) year. The President does not serve in any other Board position while in office. The Vice President serves in one of the other SSCA Board positions in addition to serving as Vice President. The Treasurer shall also be the Finance Director. One Director shall be assigned to the ARB by the President (with the approval of the Board) as ARB liaison and a voting member of the ARB; however, such Director shall not become the chairperson of the ARB. In addition to the ARB liaison, one other Director than the President may serve on the ARB as a voting member.

Sec. 7-1 Standing Committees. The Nominating Committee and the ARB shall be the two standing committees of the SSCA. The Treasurer may create an Audit Committee in connection with the annual audit and tax returns set out in Section 8-9 and for such other purposes as the Treasurer may determine. If created, the Treasurer shall chair the Audit Committee. The President shall, with the approval of the Board, assign areas of duty to the other Directors (including, without limitation, those areas of duty set out in this Article VII) , and Directors may be responsible for more than one area of duty at any time. These Directors may, in their discretion, create and select committees to study, review and/or advise the Director, the Board, and the members with respect to certain issues. In the event that sufficient volunteer members are not available to staff any SSCA committee in the numbers provided for in these Bylaws, the SSCA Board may authorize such committee(s) to act based upon the majority of the committee members then available.

Sec. 7-1.1 Marina and Westside Parks Maintenance Director. The Marina and Westside Parks Maintenance Director shall be responsible for coordinating and supervising the grounds maintenance of SSCA properties, and for making recommendations to the Board for improving their appearance. The Marina and Website Parks Maintenance Director shall also assist the Properties Director as needed.

Sec. 7-1.2 Bylaws and Planning Director. The Bylaws and Planning Director shall be responsible for assisting the Board and the members with review and interpretation of the SSCA Bylaws and operating procedures as well as for recommending to the Board any amendments which might improve the Bylaws and operating procedures. See Article X. The Bylaws and Planning Director shall also be responsible for analysis and review of the entire range of matters of significant interest to the SSCA (including matters concerning the use and protection of SSCA properties), whether short range or long range, for the purpose of proposing plans and recommendations for consideration by

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

the Board and the members. Specific subject matters may be referred to the Bylaws and Planning Director by the Board or selected by the Bylaws and Planning Director with approval of the Board.

Sec. 7-1.3 Communications Director. The Communications Director shall carry out all Board approved communications with SSCA members. This includes publication of the SSCA Newsletter, creation and operation of the SSCA website, and any other member communications deemed necessary.

Sec. 7-1.4 Finance Director. The Finance Director shall be responsible for preparation of an annual budget as required by Sec. 8-2, and for the preparation of whatever financial reports are required under these Bylaws, including the monthly "Treasurer's Report" to the Board set out in Section 8-8 of the Bylaws.

Sec. 7-1.5 Membership Director. The Membership Director shall be responsible for planning and implementing an annual membership renewal campaign, for enrolling qualified new members, and for maintaining the SSCA membership roll. The Membership Director is responsible for wet and dry slips and kayak rentals, including invoicing, maintaining a list of current renters and wait lists, and documentation required for rentals. The Membership Director also works on issues concerning the marina, including channel markers and dredging.

Sec. 7-1.6 Volunteer Coordination Director. The Volunteer Coordination Director shall be responsible for encouraging, enlisting and coordinating the participation of SSCA members and volunteers in SSCA events, projects and other matters.

Sec. 7-1.7 Properties Director. The Properties Director shall be responsible for whatever structural maintenance and improvement of SSCA-owned real property is found by the Board to be necessary or desirable. The Properties Director's primary responsibility is SSCA property located east of Duck Road, including all crossovers and Triangle Park.

Sec. 7-1.8 Nominating Committee. A Nominating Committee of five (5) members shall be created each year at the regular membership meeting occurring in the month of April.

Two (2) of these members shall be appointed by the SSCA Board, and three (3) shall be nominated by members present at the meeting. If an SSCA member would like to be a member of the Nominating Committee but cannot attend the April meeting, he/she shall notify the Secretary of the SSCA Board in writing no less than ten (10) days prior to such meeting of his/her desire to serve (together with brief biographical information), and his or her name(s) shall be included in the list of 3 potential committee members to be voted on by the members. The 3 member nominees receiving the highest number of affirmative votes from the members present at the meeting shall serve on the Nominating Committee. No sitting SSCA Director may serve on the Nominating Committee. The term for a member of the Nominating Committee is one year. No member of the Nominating Committee may serve for more than 2 consecutive terms (2 years.) The Nominating Committee shall choose its chairperson and shall remain as a standing committee for a period of one (1) year until the following April and the creation of the following year's Nominating Committee. The SSCA Board by majority vote shall name a replacement for any Nominating Committee member who departs from the committee.

Sec. 7-2 Architectural Review Board. Prior ARB approval shall be required for all new residential construction or alterations and additions to existing buildings consistent with applicable covenants, procedures and guidelines within Southern Shores (except for the Excluded Properties), which prior approval may not be unreasonably withheld. Decisions of the Architectural Review Board may be appealed in writing to the SSCA Board.

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

Sec. 7-2.1 Covenants; Appearance. The purpose of the ARB is to administer and enforce protective covenants and otherwise to maintain a consistent quality of construction and appearance to help maintain and enhance the values of the properties in Southern Shores, all subject to the review and oversight of the SSCA Board.

Sec. 7-2.2 ARB Membership. The ARB shall consist of five (5) members and one (1) alternate member. Except for the ARB member who will be a Director (as provided in Section 7-0), the ARB shall recommend candidates for membership on the ARB to the SSCA Board for its consideration and approval. The SSCA Board shall fill vacancies as they occur during the term of an ARB member.

The SSCA Board shall appoint each ARB member to serve for a term of three (3) years. No ARB member shall serve more than 2 consecutive terms.

Following a vacancy in the ARB's chairperson's position, the ARB, at its first meeting after a replacement member has been appointed, shall by majority vote, elect a new chair and assistant chair.

If a member of the ARB fails to perform his/her duties, the ARB may recommend his/her removal from the ARB to the SSCA Board for the SSCA Board's consideration and action.

Sec. 7.3 Flexibility of Director Duties. Notwithstanding the description of Director duties and roles set out in this Article 7, the Board may determine at its discretion, to allow Directors to share and/or shift duties and roles as necessary and for the benefit to the operations of the SSCA

ARTICLE VIII FINANCES

Sec. 8-1 Fiscal Year. The SSCA fiscal year shall be the calendar year, beginning January 1 and ending the following December 31.

Sec. 8-2 Budget. The Treasurer shall submit to the Board for its consideration a proposed budget for the coming fiscal year no later than the regular Board meeting in August.

Sec. 8-2.1 Board Approval. The Board shall consider and approve a proposed budget no later than the regular Board meeting in September.

Sec. 8-2.2 Notice to Membership. Written notice of the details of the Board-approved budget shall be provided to the membership at least 14 days prior to the October membership meeting.

Sec.8-2.3 Adoption by Membership. The Board-approved budget shall be presented for consideration by the members at the October membership meeting. The Budget may be voted on by electronic ballot (prior to November 1).

If the membership fails to adopt a budget at the October General Membership meeting, the SSCA Board may choose to have a special General Membership meeting and/or do an electronic vote of a proposed budget prior to 1 January.

Sec. 8-3 Spending Limitations. No money can be spent during a fiscal year which exceeds the gross amount provided for in the membership-approved budget, unless after written notice of an enlarged spending proposal, the membership specifically approves such expenditure. No money can be spent from a previous year's budget. Notwithstanding the foregoing, the Board may determine to spend reserve funds in connection with either or both (i) storm damage and/or emergency property protection and (ii) legal costs and expenses; (iii) any other major unforeseen and unbudgeted expense for which a previously established reserve fund exists.

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

Sec. 8-4 Compensation. All Board and committee members shall serve without compensation, provided, however, that SSCA-related expenses of such persons may be reimbursed. Wages or fees may be paid to third parties for clerical, professional, or other necessary services.

Sec. 8-5 Annual Dues. The Board shall determine the amount of annual dues each year when the budget is approved. The membership shall be notified of any changes in annual dues via the newsletter or other mailed or e-mailed communication along with the proposed budget.

Sec. 8-6 Contributions. The SSCA may accept contributions from individuals and organizations inside and outside Southern Shores. The SSCA shall make no contributions to any individual or organization without the approval of a majority of those members present and voting at a regular or special membership meeting. Written notice of the meeting shall include the proposed contribution as an agenda item.

Sec. 8-7 Handling of Funds. The Treasurer shall be responsible for depositing funds as specified in Sec. 6-5. The Office Administrator may keep a petty cash fund not to exceed \$200.00 and may make cash payments from that fund for properly approved SSCA expenditures. All cash expenditures shall be supported by an approved invoice or cash receipt.

Sec. 8-8 Reports. At each Board meeting and each membership meeting, the Treasurer shall submit a written financial status report consisting of (a) a balance sheet reflecting the financial position of the SSCA and (b) a revenue and expense statement reflecting receipts and expenditures for the fiscal year to date. The revenue and expense statement shall show actual deviations from the approved budget by line item. Copies of each report shall be made available to members in attendance at the meeting.

Sec. 8-9 Audit / Tax Return. After the close of each fiscal year, an audit of the SSCA books may be completed by a Board-approved independent CPA firm. This firm shall also complete the annual Tax Return and return it to the SSCA Treasurer for filing. If no CPA firm can be found to complete an audit, the use of Self-Audit Guides for non-profit organizations, in addition to prior year audits, can be used as a basis for having a qualified accountant or a Board-appointed disinterested audit committee perform the annual audit. The Treasurer and any Staff or Board members who are responsible for maintaining the SSCA financial records may only provide input to any annual audit, and cannot be active participants in the audit process. The audit results shall be reviewed with a representative of the CPA firm or a disinterested audit committee, and by the Treasurer. The Treasurer shall share the results with the SSCA Board and membership at the subsequent regular meetings.

ARTICLE IX TRANSFER OF INTERESTS IN REAL PROPERTY

Sec. 9 Acquisitions. Except upon prior approval of the Board and approval of the members present and voting at a membership meeting, no interest in real estate may be acquired if the purchase price exceeds \$2,500.

Sec. 9-1 Transfer of Interests. To protect against the possibility of a windfall real estate transaction unduly favoring the buyer and otherwise to provide for the proper protection and management of the real property held or owned by the SSCA ("SSCA Real Property"), no interest of any kind whatsoever in SSCA Real Property, may be leased, licensed, sold, granted, transferred or conveyed (each a "Transfer") except in accordance with the provisions listed below. In connection with any Transfers, the Board and the members are required to consider the purposes of the SSCA as provided in the Bylaws and their responsibility for stewardship of the SSCA Real Property.

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

Sec. 9-1.1 Board Approval. The SSCA Board must approve by at least a two-thirds vote at a regular Board meeting where a quorum is present all Transfers of any interest in SSCA Real Property. If the interest to be transferred is in the nature of a license, a lease for a term of one year or less ("Minor Lease") or an easement, the Board shall make a finding in the minutes of its meeting as to whether the Transfer is of a material interest in the SSCA Real Property to be transferred and whether such Transfer would adversely affect the SSCA Real Property to be transferred and/or SSCA members, together with the reasons for such finding. If the Board reasonably determines that the Transfer of such license, Minor Lease or easement interest would not be of a material interest and would not adversely affect such SSCA Real Property or SSCA members, the Board alone, without putting the matter to member vote or otherwise complying with Sections 9-1.2 through 9-1.4 below, may allow and cause such Transfer, subject to the provisions of this Section 9-1.1 ("Board-only Approved Transfers").

In connection with all Board-only Approved Transfers, the Board must give notice of such proposed Transfer in the SSCA Newsletter (or other mailed and/or e-mailed communication to the members) and on the SSCA website, together with a clear description of the SSCA Real Property interest to be transferred and an explanation of the reasons for, and a summary of the terms of, such Transfer (including the reasons for the determination of non-materiality and no adverse effect). A Transfer of a leasehold interest for a term of longer than 1 year or a Transfer of the fee interest in any SSCA Real Property will in any event be deemed material, and may not be a Board-only Approved Transfer. The purpose behind allowing Board-only Approved Transfers is to allow a Board practical, day-to-day operational flexibility with the administration of the SSCA Real Properties, but not to allow a Board to avoid its obligation of stewardship. In no event may the membership itself cause any Transfer of any interest in SSCA Real Property without Board approval.

Sec. 9-1.2 Notice. For all proposed Transfers of SSCA Real Property that are not Board-only Approved Transfers (for which notice requirements are set out in Section 9-1.1, above), a clear description of the SSCA Real Property to be transferred and explanation of the reasons for, and a summary of the terms of, such Transfer must be published in the SSCA Newsletter (or other mailed or e-mailed communication to the members) and on the SSCA website, along with notice of the time, date and place that a regular or special meeting of the membership shall be convened to consider such proposed Transfer, which meeting shall take place in not less than 20 or more than 60 days after the Newsletter (or other mailed or e-mailed communication) is mailed or e-mailed, and the members at such regular or special meeting at which a quorum is present where at least three-quarters (3/4ths) of the members must vote to approve the Transfer and putting the question of the Transfer to a general member vote as provided in Section 9-1.3.

Sec. 9-1.3 Membership Approval. Other than Board-only Approved Transfers, no Transfer may be consummated, except (and in all events subject to prior approval of at least two-thirds (2/3rds) of the Board) upon the prior approval of at least two-thirds (2/3) of the SSCA membership voting in response to a mailed ballot, which ballot shall contain a copy of the prior Newsletter or other mailed or e-mailed communication with the details of the proposed Transfer, the minutes of the members' meeting approving the Transfer, as well as any other context or pertinent information the Board may determine to include.

The Board shall also provide with the ballot, in the Newsletter or on the SSCA website a reasonable opportunity for member comments for and against such Transfer or a summary of the same. Only following member approval under this Section 9-1.3 may the Board proceed with the appraisals in Section 9-1.4 and enter into and consummate Transfers according to the terms approved by the Board and the members, so long as the requirements of Section 9-1.4 are met and the SSCA Real Property interest will be transferred for not less than its Fair Market Value plus Costs.

Sec. 9-1.4 Market Value Requirement. Subject to the other provision of these Bylaws, no SSCA Real Property interest shall be transferred for a purchase price, rent, easement or license fee, as

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

applicable, less than the reasonable fair market value, purchase price, rent, easement or license fee, as applicable, designated by at least two (2) duly qualified and disinterested real property appraisers retained by the Board for the express purpose of providing an opinion respecting such value ("Fair Market Value"). If varying estimates are offered, Fair Market Value shall be determined by averaging. The costs of such appraisals and the SSCA's other reasonable costs and expenses incurred, or to be incurred, in connection with a Transfer, including reasonable attorneys' fees ("Costs"), shall be added to the Fair Market Value and included in the total minimum consideration to be paid to the SSCA for the SSCA Real Property Interest transferred. The Board, in its reasonable discretion, may waive appraisal requirements under this Section 9-1.4 for any Board-only Approved Transfers where either the consideration for the Transfer is reasonably determined by the Board, under the circumstances, to be de minimis or where the Board has reasonable information to confirm that the offered consideration is fair to the SSCA and its members.

Sec. 9-1.5 Members' Right to Object. By a petition signed by at least 20 members in good standing and delivered to the SSCA no later than fifteen (15) days after the date of the notice sent to members under Section 9-1.1, above, the members may object to (a) a determination by the Board that a Transfer is a Board-only Approved Transfer (including the findings of the Board behind that determination) or (b) to a determination by the Board with respect to the consideration to be paid for a Board-only Approved Transfer, in either of which events the matter of the Transfer shall proceed to a vote at a members' meeting and, possibly, to a mailed-out ballot vote as provided in Sections 9-1.2 and 9-1.3. Notwithstanding the foregoing, however, any Transfers approved by the Board and/or the members prior to the effective date of these amended and restated Bylaws are ratified as approved notwithstanding that the Transfer process may not have been completed at the time of approval of these Bylaws.

ARTICLE X BYLAWS AMENDMENTS

Sec. 10-1 Bylaws Committee and Director Action. In the event a Bylaws Committee is constituted, changes to the Bylaws shall, on approval by a majority of the Committee, be recommended to the SSCA Board for its consideration and action. The Committee may consider and offer suggested amendments at any time of the year. In the event that a Bylaws Committee is not constituted, the Bylaws Director may make recommendations regarding the Bylaws to the SSCA Board for approval; provided, however, the Bylaws Director shall make reasonable efforts to solicit member input and discussion on any proposed changes.

Sec. 10-2 Amendment Proposals. In addition to Section 10-1, Amendment of the Bylaws may be initiated by any member of the SSCA. Proposed amendments must be submitted to the Bylaws Director and/or Committee, if one is constituted, for review and recommendation to the Board and the general membership. No proposed amendment of the Bylaws may be considered by the Board unless the text thereof has been distributed to each Board member at least 7 days prior to the Board meeting at which the proposed amendment will be decided.

Sec. 10-2.1 Adoption by the Board. If the proposed amendment meets the foregoing requirement, it may be approved by the affirmative vote of a majority of the Board at a regularly scheduled Board meeting for presentation to the membership.

Sec. 10-2.2 Notice to the Membership. A clear description and explanation of the proposed amendment shall be communicated to the membership, along with the recommendations of the Board with respect to the proposal and the date of the membership meeting at which the amendment will be considered.

**SOUTHERN SHORES CIVIC ASSOCIATION
BYLAWS**

Sec. 10-2.4 **Membership Vote.** A proposed Bylaw amendment which meets the foregoing requirements may be approved and adopted by the membership by the affirmative vote of at least two thirds (2/3rds) of the members present and voting at a meeting or by at least two-thirds (2/3rds) of the returned mailed-out ballots, as applicable. Voting by electronic ballot may be used for approving recommended bylaw changes.

Sec. 10-2.5 **Alteration.** Once notice to the membership has been accomplished, no alteration may be made in the text of a proposed amendment if it is materially inconsistent with or materially varies the clear intent of the proposal.

ARTICLE XI MISCELLANEOUS

Sec. 11-1 **Inspection of Records.** Upon request to the President, any SSCA member who desires to inspect minutes, reports, correspondence, financial records, or other official records of the SSCA shall be given a reasonable opportunity to do so, and at his or her own expense to make a copy of documents.