



NORTH FORK RESORT ASSOCIATION, INC.

BY-LAWS

Updated & Approved June 12, 2010

Table of Contents Article/Section

ARTICLE I Definitions

- A. "Association"
- B. "Board"
- C. "By-Laws"
- D. "Campsite"
- E. "Declaration"
- F. "Developer"
- G. "Member"
- H. "North Fork Resort"
- I. "Owner"
- J. "Regulation"

ARTICLE II Responsibility to the Association

- Section 1 Adopt Rules and Regulations
Own, Build, Administer and Maintain

ARTICLE III Membership

Section 1 Membership

- (a) Where one or more persons jointly own
- (b) Where a corporation, partnership, joint venture owns
- (c) Where an interest passes under the will

Section 2 Privileges of Members

Section 3 Suspension of Membership Privileges

- (a) Membership shall be automatically suspended
- (b) Membership may also be suspended
- (c) Assessments not paid when due
- (d) The name, address, cause of suspension

ARTICLE IV Evidence of Membership and Transfer

Section 1 Membership Certificate

Section 2 Transfer

ARTICLE V Meeting of Members

Section 1 Place of Meeting

Section 2 Annual Meeting

Section 3 Special Meetings

Section 4 Notice of Meetings of the Association

Section 5 Quorum

Section 6 Voting

Section 7 Order of Business

Section 8 Members may cast their votes

Section 9 A member must be in good standing

Section 10 It shall be the duty of the Secretary

ARTICLE VI Assessments to Association

Section 1 Each Property Owner

Section 2 Assessments Levied

Section 3 Annual Assessments

Section 4 Annual Assessments paid in advance

Section 5 Roster of Owners

Section 6 Unpaid Assessments

ARTICLE VII Finance

Section 1 Fiscal Year

Section 2 Budget

Section 3 Depository

(a) Issuance of Checks

(b) Signature Requirements

(c) Annual Financial Report

ARTICLE VIII Special Assessments

Section 1 Policy

Section 2 Special Assessments

Section 3 Due Date

ARTICLE IX The Board of Directors

Section 1 Powers

(a) Corporate Seal

(b) Banking Institution

(c) Agreements with Developer

(d) Act of Authority

(e) Adopt Rules and Regulations

(f) Annual Operating Budget

(g) Appoint Committees

Section 2 Number of Directors

Section 3 Election of Directors

(a) Subject to the provisions of Article XIV

(b) Between the first and fifteenth day of January

(c) All elections to the Board shall be made on written ballot

1. Describe the vacancy to be filled

2. Set forth the names of those persons who have become candidates

(d) One ballot for each lot shall be distributed to members

(e) After voting, ballots shall be returned in a sealed envelope

(f) Ballots shall be returned to the Secretary

(g) All outside envelopes, ballots and statements

(h) Immediate family

Section 4 The Board of Directors shall have the power

Section 5 Any officer or agent may be removed

Section 6 The Board of Directors may establish such committees

Section 7 Removal of director, a director may be removed by three-fourths

Section 8 Meetings of the Board of Directors

Section 9 Action without meeting

Section 10 Quorum

Section 11 Vacancies

ARTICLE X Officers

Section 1 Officers

Section 2 President

Section 3 Vice President

Section 4 Secretary

Section 5 Treasurer

ARTICLE XI General Provisions

Section 1 Financial Report to Members

Section 2 Association Property

ARTICLE XII Indemnification of Directors, Officers, and Employees

ARTICLE XIII Amendments

ARTICLE XIV Interim Membership of Board of Directors

Section 1 Composition of Board

Section 2 Upon Adoption

Section 3 First Annual meeting after Developer Control Period

Section 4 Nominations for Interim Directors

Section 5 Directors shall serve until

Section 6 Developer-Directors / Member-Directors

Section 7 Amendment of By-Laws during Developer Control Period

BY-LAWS OF NORTH FORK RESORT ASSOCIATION

ARTICLE I

Definitions:

The following terms as used in these By-Laws are defined as follows:

- A. "Association"** - means North Fork Resort Association, an Association composed of Owners of Undivided Interests in North Fork Resort, a recreational community developed by North Fork-Shenandoah, Inc., as the same may be shown on maps thereof recorded from time to time in the Clerk's Office of Warren County, Virginia.
- B. "Board"** - means the Board of Directors of the Association.
- C. "By-Laws"** - means the By-Laws of the Association.
- D. "Campsite"** - means a campsite in North Fork Resort, whether now existing as such or hereafter designated as a campsite in North Fork Resort.
- E. "Declaration"** - means the Declaration of Joint Use and Reservation System, dated August 15, 1981, setting forth the description of the Joint Use System, the restrictions and covenants governing it, and other matters relating thereto, executed by the Developer and recorded in the Clerk's Office, together with supplemental Declarations, if any, which may be executed by the Developer and recorded in the Clerk's Office.
- F. "Developer"** - means North Fork-Shenandoah, Inc., a Virginia corporation, or any assignee or successor of North Fork-Shenandoah, Inc.
- G. "Member"** - shall mean all those Owners who are members of the Association as provided in, 'Article III, Section 1, hereof.
- H. "North Fork Resort"** - means the real property situated in Warren County, Virginia, acquired by the Developer by deed from Jay Enterprises, Inc., dated June 30, 1981, of record in the Clerk's Office of the Circuit Court of such county in Deed Book 286, Page 250, together with any other real property now owned or hereafter acquired by the Developer which the Developer designates to be a part of the North Fork Resort.
- I. "Owner"** - means a person to whom the Developer has conveyed an Undivided Interest in North Fork Resort, either as a Charter Owner, an Associate Owner, or a Tent Owner (defined below). The Developer shall not be considered to be an Owner of any Undivided Interest; provided, however, that the Developer will be considered an Owner of any Undivided Interest which it may subsequently acquire from another Owner. The term "Owner" includes Charter Owners, Associate Owners and Tent Owners, which terms are defined as follows:
- (a) Charter Owner.** An owner who purchases from the Developer, an Undivided Interest which is expressly stated in the deed to such Owner to be the interest of a Charter Owner, and who thereby becomes entitled to the use, occupancy and enjoyment rights accorded a Charter Owner by this Declaration; and the successors in interest to a Charter Owner.
- (b) Associate Owner.** An Owner who purchases from the Developer, an Undivided Interest which is expressly stated in the deed to such Owner to be the interest of an. Associate Owner, and who thereby becomes entitled to the use, occupancy and enjoyment rights accorded an Associate Owner by this Declaration: and the successors in interest to an Associate Owner.
- (c) Tent Owner.** An Owner who purchases from the Developer an Undivided Interest which is expressly stated in the deed to such Owner to be the interest of a Tent Owner; and who thereby becomes entitled to the use, occupancy and enjoyment rights accorded a Tent Owner by this Declaration; and the successors in interest to a Tent Owner.
- J. "Regulation"** - means the rules and regulations adopted and published from time to time by the "Board".

ARTICLE II

Responsibility to the Association:

Section 1, To adopt rules and regulations in the best Interests of the Association and its members. To own, build, administer and maintain community properties and facilities; to administer and enforce the covenants and restrictions contained in the Declaration and in these By-Laws; to collect and disburse assessments and charges as permitted by the Declaration and these By-Laws; and to do all things necessary and incidental, as permitted by law, and under the Articles of Incorporation, to promote the common benefit and enjoyment of property owners of North Fork Resort.

ARTICLE III

Membership

Section 1, Membership. There shall be one class of membership, which shall include every person or entity, who is an Owner of an Undivided Interest in North Fork Resort, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member. Where an Undivided Interest is owned by more than one person or by an entity, the membership in the Resort Association shall be determined as follows:

- (a) Where one or more persons jointly own an Undivided Interest, the membership in the Resort Association shall be issued to only one of such persons, as designated by such persons in writing to the Association.
- (b) Where a corporation, partnership, joint venture or other entity owns an Undivided Interest, the membership in the Resort Association shall be issued to only one individual person who is selected by such entity and designated as such in writing to the Association.
- (c) Where an interest passes under the will of a deceased person or by the laws of intestacy to more than one person, the membership in the Resort Association shall belong to one individual person who is selected by such persons and designated as such in writing to the Association.

Section 2, Privileges of Members. Members in good standing shall be entitled to the use and enjoyment of the common properties and facilities, subject however to provisions of the Declaration and to such other regulations as may be established by the Board of Directors. A member's immediate family, defined to mean a member's spouse and dependent children, shall have membership privileges, except that any rules or regulations of the Association related to the number and frequency of guests allowed shall be applied to the family as a whole.

Section 3, Suspension of Membership Privileges. Membership privileges, including any voting privileges or right to use the common properties, shall be suspended under the following terms and conditions:

- (a) Membership shall be automatically suspended where annual or special assessments are delinquent for more than sixty days, unless the suspension is stayed due to hardship, by action of the Board. Where membership has been suspended for nonpayment of annual or special assessments, the membership shall be reinstated upon payment of said delinquent assessments, including any fines or penalties.
- (b) Membership may also be suspended by action of the Board for each infraction of the Declaration, By-Laws, or of the published Rules and Regulations of the Association, or for misuse of common facilities. Such actions shall be in accordance with a procedure determined in the Rules and Regulations from time to time in effect providing the member notice and the opportunity to explain or refute the charges in writing. Each such suspension referred to the Board of Directors by the Resort Manager will be for a period of time determined by the Board of Directors, based on but not limited to, the information provided to them, the infraction(s) and/or the severity or repeated offenses of the Rules and Regulations, Declaration and these By-Laws. *(Amended - Annual Meeting, June 12, 2010)*
- (c) Assessments not paid when due shall be a continuing lien upon the property pursuant to Section 8.2 of the Declaration.
- (d) The name, cause of suspension, and effective date of suspension with respect to suspended members may be publicly posted at the discretion of the Board of Directors.
- (e) Membership may be suspended by the Board of Directors for a period up to one year for repeated infractions of the Regulations, Declaration and these By-Laws
- (f) Membership may be terminated by the Board of Directors for infractions that cause a significant financial hardship on the Association or for infractions or actions that cause undue harassment or infringe upon the good name of the Association. This action can be taken with a three-fourth's (3/4) vote of the Board of Directors. If this action is taken the terminated membership's owner(s) shall be paid the current market value of that terminated membership. Any owner that has had their membership terminated pursuant to this section shall not be permitted to become an owner of any interest in NFRA, Inc. at a future date, either by purchase, gift, inheritance or any other manner whatsoever. *(Amended - Annual Meeting, June 12, 2010)*

ARTICLE IV

Evidence of Membership and Transfer

Section 1, Membership Certificate. Certificates of membership in the Association may be issued to members. Such certificates shall be in such form as is authorized by the Board. Records shall be maintained at the

registered office of the Association of the names of members which records shall also indicate the date of membership.

Section 2, Transfer. When a member ceases to be an Owner, such person's membership shall cease, but such person shall remain liable for all association charges incurred prior to the giving of written notice to the Association that such person is no longer an owner. It is the transferring owner's obligation to provide the transferee with a copy of the Declaration, a copy of these By-Laws, and a certificate in the form required by Virginia Real Estate Time Share Act.

ARTICLE V

Meeting of Members

Section 1, Place of meeting. All meetings of the members of the Association shall be held in the State of Virginia at such time and place as the Board shall determine.

Section 2, Annual Meeting. The annual meeting of the Association shall be held in June of each year.

Section 3, Special Meetings. Special meetings of the Association may be called by the Board of Directors and also may be called by the President and shall be called by the President whenever requested in writing by 100 or more members, or 25% of the membership, whichever is less, who are in good standing. Such request shall clearly state the purpose for which the special meeting is to be called.

Section 4, Notice of Meetings of the Association. Not less than ten nor more than fifty days written notice of meetings shall be given by mail to each member entitled to vote at such meeting. Where more than one person owns an interest in an Undivided Interest, notice or other communications required by these By-Laws to be sent to members given to one co-owner shall be conclusively presumed to have been given to all other co-owners. The notice shall be deemed to be delivered when deposited in the U. S. mail, first class postage prepaid, addressed to the member's last known address, as recorded with the Association. The notice shall set out in reasonable detail the business to be brought before the meeting and each meeting shall be limited to the items set out in the notice in order that those casting absentee ballots may be permitted to express their desires. Members present may make suggestions covering items which they feel should be brought before the membership. If any such suggestions are approved by proper resolution of those members present, it shall be the duty of the Secretary to present such resolution to the members for consideration and action at the next regular or special membership meeting. Further, it shall be the duty of the Secretary to include with the notice of any regular or special membership meeting such suggestions or requests as may be properly presented in writing and endorsed by one hundred or 25% of the membership in good standing, providing such requests are received at least sixty days prior to the meeting date.

Section 5, Quorum. The presences of 2% of the total membership constitute a quorum for the transaction of business at the annual. If for any reason a meeting shall not be held on the date designated, such meeting may be rescheduled, provided, however, that the notice of such rescheduled meeting shall be given not less than ten days nor more than fifty days prior to the date of the rescheduled meeting.

Section 6, Voting. In all elections of Directors, each member in good standing is entitled to the number of votes equal to the number of current vacancies on the Board in that given year. Members can cast all votes for a single candidate or distribute them as they. If any dispute between co-owners as to how their Undivided Interest shall cast its vote, no vote shall be counted for such Undivided Interest. Voting at membership meetings shall be by majority of the votes present as represented by persons or absentee ballots, unless a greater proportion is required by law or by the Declaration.

Section 7, The order of business at the annual meeting shall be as follows:

- (a) Roll call
- (b) Reading of the minutes of the previous meeting
- (c) Reports of the Officers
- (d) Reports of the Committees
- (e) Unfinished business
- (f) New business
- (g) Election of Directors

Robert's Rules of Order shall be followed.

Section 8. Members may cast their votes either in person or by absentee ballot. The form of the absentee ballot

shall be determined by the Board of Directors.

Section 9. A member must be in good standing in order for him to participate in membership voting. A valid North Fork Association card is required.

Section 10. It shall be the duty of the Secretary to prepare a list of the members entitled to vote at each meeting against which list all members voting, whether by absentee ballot or in person, shall be checked, either by the Secretary, or by some individual designated by the Board of Directors.

ARTICLE VI

Assessments to Association

Section 1. Each owner of property shall pay assessments to the Association as required by Section 8.1 of the Declaration.

Section 2. Assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the residents in the North Fork Resort and, in particular, for the improvement, maintenance and construction of roads and other facilities devoted to the common use.

Section 3. Annual assessments shall be levied pursuant to Section 8.1 of the Declaration. The maximum and basis of the annual assessments may be increased or decreased pursuant to Section 8.1 of the Declaration.

Section 4. Annual assessments shall be paid in advance and shall be due on the dates specified in Section 8.1 of the Declaration. No adjustments or prorating of assessments shall be made by the Association. The due date of any special assessment under Section 8.1 of the Declaration shall be fixed in the Resolution authorizing such assessment.

Section 5. The Board's official appointed designee shall prepare a roster of the Owners and assessments applicable thereto at least thirty days in advance of such assessment due date. Such assessment roster shall be kept in the office of the Association. Written notice of the assessment shall be sent to every Owner subject thereto.

Section 6. If any assessment is not paid when due, such assessment, including the cost of collection thereof, shall become a continuing lien on the property. Such lien shall bind the property in the hands of the then Owner, his heirs, personal representatives and assigns in accordance with Section 8.2 of the Declaration. If the assessment is not paid within thirty days after the due date, there shall be added to the delinquent assessment those penalty fees, interest, costs and reasonable attorney's fees authorized pursuant to Section 8.2 of the Declaration.

ARTICLE VII

Finance

Section 1. The fiscal year of the Association shall begin on the first day of January each year, unless changed by resolution of the Board of Directors.

Section 2. No later than the 31st day of December a budget of estimated income and expenditure for the next fiscal year shall be adopted by the Board. This budget shall be available for inspection by the members at the office of the Association. A summary of the approved budget shall be included in the notice of the next regular meeting of the Association.

Section 3. The Board of Directors shall determine the official depository of deposits.

(a) After acceptance of responsibility by the Association for the administration of the assessment funds, the Treasurer shall be authorized to issue checks for expenditures incurred for the Association, provided the amount of such checks issued does not exceed in that fiscal year, the amount budgeted, in accordance with Article IX, Section 1(F).

(b) All checks shall be signed by the Treasurer and one other officer designated by the Board of Directors. The Treasurer, and such other officer as may be designated by the Board, shall be bonded in an amount determined by the Board. Indemnity bond premiums shall be paid by the Association.

(c) An accounting of all of the Association's receipts and disbursements for the previous fiscal year shall be prepared each year before the annual meeting, at which meeting the accounting shall be made available to the membership.

(d) Association Finances will be completely audited every 3 (three) years

And the results are made available in the POA Office.

ARTICLE VIII

Special Assessments

Section 1. It is declared the policy of this Association that special assessments are generally undesirable and shall be levied only in an emergency or under extraordinary circumstances.

Section 2. Special assessments shall be levied only upon the recommendation of the Board and with the consent of voting board members.

Section 3. The due date of any special assessment shall be fixed in the resolution authorizing such assessment. Special assessments not paid within thirty days after the due date shall be collected pursuant to Section 8.2 of the Declaration.

ARTICLE IX

The Board of Directors

Section 1. Powers. The Board of Directors shall have a general power to carry on the affairs of the Association. In order to carry out this general power, the Board shall undertake the following:

(a) Adopt a corporate seal as the seal of the Association.

(b) Designate a banking institution or institutions as depository for the Associations' funds in accordance with Article VII, Section 3 of these By-Laws.

(c) Enter into agreements with Developer concerning all matters pertinent to North Fork Resort. Such agreements may contain such provisions as the Directors feel are appropriate and in the best interests of the Association and its members. However, the acceptance by the Association of such agreements and the terms and provisions thereof shall be dependent upon the approval of a majority of those members who vote in person or by absentee ballot at a special or annual meeting of the membership.

(d) Perform other acts, the authority for which has been granted herein in the Declaration, or by law, including the borrowing of money for Association purposes. A resolution by the Board that the interest of the Association requires the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corporate purpose. The Board may, if it determines that borrowing shall be reasonably necessary, borrow up to twenty-five percent of the gross annual receipts of the Association. In connection therewith, the Association may assign, pledge, mortgage, or encumber any Association assets or property as security for such borrowings, including future revenues of the Association.

(e) The Board shall adopt such rules and regulations relating to the use of the Campsites and the common properties and sanctions for noncompliance therewith, as it may deem reasonably necessary in the best interests of the Association and its members. Each member of the Association, and others, shall abide by the provisions of these By-Laws as well as any Regulation adopted by the Board of Directors of the Association pursuant to these by-laws. Failure to do so shall justify the Board in suspending such member or associate member as is herein provided. The Board may also establish and levy reasonable fees for the use of the common properties. The Board shall also employ a sufficient number of persons to adequately maintain the common properties. Further, the Board may adopt reasonable rules of order of the conduct of the meetings of the Board of Directors, and on procedural questions upon which no rules have been adopted, the ruling of the Chairman of the Board shall be final. The Board may, by resolution, adopt Robert's Rules of Order as a guide for the conduct of all meetings.

(f) The Board shall adopt an annual operating budget in accordance with Article VII, Section 2, hereof and levy the annual assessment for each Undivided Interest for the following year. Upon the adoption and approval of the budget, the Board shall be bound by the same. No expenditure in excess of the budget shall be made unless it is authorized by the Board of Directors.

(g) The Board of Directors may, by resolution, appoint committees of the Association. Such committees may be temporary or permanent. They shall have such powers and responsibilities as the Board may direct.

(h) Not more than one member of any immediate family will be allowed to serve on the Board of Directors of North Fork Resort at the same time. Immediate family shall be defined to include the following persons: spouse (also to include those who co-habitate and share the same household without the benefit of marriage), child, sibling (natural or by adoption), parent, father/mother-in-law, sister/brother-in-law, half or step-brother/sister, step parents, and step-children. If two (2) members of the same immediate family file their candidacy for election to the Board of Directors of North Fork Resort and are defined as immediate family

members herein, the candidate to have first filed his/her petition for candidacy shall be the only immediate family member whose name shall appear on the ballot.

If an immediate family member is currently serving as a director, no member of the immediate family will be eligible to run for office unless the election would be for a position on the Board of Directors which shall commence at the end of the term to which the other family member had been elected. In the event an immediate family member is no longer in office due to resignation, death, etc. any other qualified immediate family member may run for the vacant position on the Board in accordance with this bylaw. In any event, only one member per deed may run for or be elected or appointed to the Board of Directors of North Fork Resort at the same time. In addition, in order to prevent any conflict of interest no member/owner of North Fork Resort who is also an employee of the Resort nor any member of the immediate family of said employee shall be eligible to be elected or appointed as a member of the Board of Directors.

Section 2. Number of Directors. Subject to the provisions of Article XIV, if applicable, the number of Directors shall be seven, each of whom must be a member of the Association. Each director shall serve for a term of two years. The Board of Directors may, however, by resolution increase the number of directors to not more than eighteen. No director shall receive a salary for services performed unless he is also an employee of the Association. With Board approval, directors and officers may be compensated for reasonable expenses incurred while so acting.

Section 3. Election of Directors

(a) Subject to the provisions of Article XIV, election of directors shall be by written ballot as hereinafter provided. In all elections of directors, each member in good standing is entitled to the number of votes equal to the number of current vacancies on the board in that given year. Members can cast all votes for a single candidate or distribute them as they see fit. The persons receiving the largest number of votes shall be elected to fill the number of Board vacancies, unless prior to the notice of election, the Board of Directors by resolution shall have increased the number of directors as is provided in Article IX, Section 2. No Board member shall serve more than two (2) consecutive two (2) year terms. A member will be eligible to run again or serve on the Board after two (2) years, following their final term. (Will take effect 2004 election)

(b) Between the first and fifteenth day of January each year, commencing with the year 1982, any member in good standing and over the age of twenty-one (21), who has never been convicted of a crime involving of fraud or theft, and not currently involved in pending litigation against North Fork Resort Association, Inc. (NFRA) may file with the Secretary of the Association a statement of his or her candidacy for election as a director of the Association for the term beginning immediately following the first annual meeting of the Association held after the filing of such statement, together with endorsement of his or her candidacy signed by at least ten members in good standing. The Secretary of the Association shall cause notice of each candidacy and a brief biographical statement of each candidate to be included in the notice of such annual meeting. (*Amended - Annual Meeting, June 12, 2010*)

(c) All elections to the Board shall be made on written ballot by mail. The written ballot shall, 1. Describe the vacancy to be filled, 2. Set forth the names of those persons who have become candidates for the office of director in the order in which they filed their statements and endorsements of candidacy with the Secretary of the Association. Written ballots in a form approved by the Board shall be prepared and mailed by the Secretary to each person entitled to vote simultaneously with the mailing of the notice of the annual meeting of the Association. Ballots and notices shall be sent to a member's last known address appearing in the records of the Association.

(d) One ballot for each undivided interest shall be distributed to members entitled to vote. Where more than one person owns an undivided interest, the ballot shall be sent the co-owner's address of record.

(e) After voting, ballots shall be returned in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and each voting member shall be advised that because of the verification procedures hereinafter set forth, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope shall be placed in another sealed envelope which shall bear on its face the name of the member and such other information as the Board may determine will serve to establish his or her right to cast the vote or votes presented in the ballot or ballots contained therein. Ballots shall be returned to the Secretary of the Association or the Election Committee at such address as the Board may from time to time determine no later than a date established by the Board prior to the annual

meeting.

(f) Upon receipt of each ballot, the Secretary or designee shall immediately place it in a safe or other locked place in the Association Office until the day fixed by the Board for the counting of ballots. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over unopened to an election committee appointed by the President consisting of a chairperson and four (4) or more judges. Each candidate may appoint a representative to be present during the vote count. No other individuals are permitted to be present. This Election Committee shall then adopt a procedure which shall establish that the ballots have been submitted properly by members in good standing. Such procedure shall ensure that the confidentiality of the personal vote of any member is not disclosed. The outside envelopes shall thereupon be placed in the safe or other locked place in the Office. "The Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all ballots contained in such envelope shall be disqualified. The Election Committee shall certify the results of the count at the annual meeting, and the terms of office of the directors so elected shall commence immediately following such annual meeting.

(g) All outside envelopes, ballots and statements of candidacy shall be retained by the Secretary for a period of one year.

(h) Not more than one member of an immediate family will be allowed to serve on the Board of Directors of North Fork Resort at the same time (immediate family will be defined to include the following persons Spouse, Child, Brother, Sister, Mother, Father, Mother/Father-in-Law, Sister/Brother-in-Law, Half brother/sister, Step brother/sister, Step parents, Step children). If two (2) members of the same family are candidates for the Board during the same election period the one obtaining the highest number of votes would be declared the candidate to be chosen as director. The other member of the family would not be eligible to be declared elected even if there were not sufficient candidates running to fill the vacant positions for the Board. If a family member is currently serving as a director no member of the family will be eligible to run for office unless the election would be for the end of the term to which the other family member had been elected. In the event a family member is no longer in office due to resignation, death, etc. any other qualified family member may run for the vacant position on the Board in accordance with this by law change. In any case only one member per ownership may run for or be elected or appointed to the Board of Directors of North Fork Resort at the same time. In addition, in order to prevent any conflict of interest no member/owner of North Fork Resort being neither neither an employee of neither neither the resort nor any member of the family of said employee shall be eligible to be elected or appointed as a member of the Board of Directors.

Section 4. The Board of Directors shall have the power to appoint such other officers and agents and to hire such employees as may be necessary for the carrying out of the purposes of the Association.

Section 5. Any officer or agent may be removed and replaced at any time by the Board of Directors.

Section 6. The Board of Directors may establish such committees of the members as the Board deems necessary to carry on the affairs of the Association, and it shall define the Powers and duties thereof. Committee members shall be selected and appointed by the President and shall hold office at the pleasure of the Board of Directors.

Section 7. Removal of directors. A director may be removed by three-fourths vote of the Board of Directors for "just cause". "Just cause" shall include self-dealing, conflict of interest, and negligence in performing the responsibilities of a director. If motion to remove a director is made at a Board meeting, the motion shall not be acted upon until the next Board meeting. Notice of the motion shall be mailed to the director whose removal is sought not less than twenty-one days prior to the meeting when the motion is to be considered.

Section 8. Meetings of the Board of Directors. The Board shall meet at least quarterly. Special meetings of the Board may be called by the President or by a majority of the Board and shall be held at such place in the State of Virginia as the call or notice of the meeting shall designate. Notice of a special meeting may be given in writing or orally at least twenty-four (24) hours prior to the date of said special meeting, or notice thereof may be waived by the Directors in writing. After adoption of a resolution setting for the times of regular meetings, no notice of such meetings shall be required, or waived, but notice of special meetings of the Board shall be given.

Section 9. Action without Meeting. Unless prohibited by law, where director action is required before a meeting can be conveniently called, any action which may be taken at a meeting of the Board may be taken without a meeting if, the action is consented to in writing by a majority of the Directors entitled to vote on such action at a

meeting of the Directors.

Section 10. Quorum. A majority of the Directors shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any duly called meeting shall be deemed to be the act of the Board.

Section 11. Vacancies. All Directors shall serve until their successors are elected. Any vacancies occurring on the Board created by the death or resignation of a Director shall be filled by the Board.

ARTICLE X

Officers

Section 1. Officers. The officers of the Association shall be the President, one or more Vice Presidents, the Secretary, and the Treasurer and such other officers and assistant officers as the Board may from time to time elect. Officers shall serve at the pleasure of the Board. Any two offices may be held by the same person, except the offices of President and Secretary. An officer may serve as a committee chairperson.

Section 2. President. The President shall be the executive officer of the Association, and shall preside over all meetings of the Association and the Board of Directors. The President shall be ex-officio a member of all committees. The President shall conduct the affairs of the Association in accordance with these By-Laws and those policies approved by the Board of Directors. The President shall be responsible for the preparation of a full and true report as to activities of the Association during the year of his presidency which report shall be submitted at the annual meeting and he shall file the report with the Secretary who shall make it available for inspection by the membership.

Section 3. Vice President. In the absence of the President, or in the event of the President's inability to act or his refusal to act, where such action is lawfully required by these By-Laws or otherwise, the Vice President is empowered to act and shall thereupon be vested with the powers and duties of the President with respect to the action taken. The Vice President shall also perform such other duties as the President may assign.

Section 4. Secretary. The Secretary of the Association shall keep the minutes of the business and other matters transacted at the meetings of the members and of the Board. The Secretary shall mail, or cause to be mailed, all notices required under these By-Laws. The Secretary shall have the custody of the corporate seal and records and maintain a list of the members and their addresses and perform all other duties incident to the Office of Secretary. The Secretary may appoint a Recording and Correspondence Assistant.

Section 5. Treasurer. The Treasurer shall have custody of the funds of the Association, collect moneys due, pay the obligations of the Association out of its funds, and perform such other duties as are incident to the office of the Treasurer. All checks shall be signed by the Treasurer and countersigned by one other officer designated by the Board. The Treasurer, and such other officers as may be designated by the Board of Directors, shall be bonded in an amount to be determined by the Board. Indemnity bond Premiums shall be paid by the Association.

ARTICLE XI

General Provisions

Section 1. Financial Report to Members. The directors shall make available to the members at the annual meeting and at other times financial statements of the Association's income and expenses as of the closing date of the prior fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles so as to present fairly the Association's operating results. Such statements need not be certified.

Section 2. Association Property. On dissolution of the Association, the members shall be entitled to the distribution of the Association property and assets. Should two-thirds of the members desiring to vote on the question (subject to the quorum requirement of Article V, Section 5) consent to dissolution, then the Association's property and assets, after satisfaction of all outstanding liens and encumbrances thereon and of all debts and claims against the Association shall be distributed to the members in accordance with their interests.

ARTICLE XII

Indemnification of Directors, Officers and Employees

Any person who is involved without his consent in any legal action due to the fact that he is or was a director,

officer or employee of the Association shall be indemnified by the Association against all expenses reasonably incurred by him in connection with or resulting from such Legal action. Such expenses shall also include amounts paid by him with the consent of the Association acting through its Board of Directors in reasonable settlement of such actions except for those matters as to which it shall be determined that such person was derelict in his performance of his duties to the Association. This right of indemnification shall apply to matters arising both before and after the time of adoption of these By-Laws and shall not exclude any other legal right of indemnification to which such person may be entitled.

ARTICLE XIII

Amendments

These By-Laws may be amended at any regular or special meeting of the Association, subject to Article XIV, providing that the notice of such meeting contains a copy of the proposed amendment. A majority of members present, either in person or by absentee ballot, shall be required to adopt the proposed amendment.

ARTICLE XIV

Interim Membership of Board of Directors

Section 1. This Article is intended to provide for composition of the Board of Directors during the Developer Control Period as defined in Section 7.1 of the Declaration. Should inconsistencies exist between this Article and any other Article, the provisions of this Article XIV shall control until the end of the Developer Control Period.

Section 2. Upon adoption of these By-Laws, the Board of Directors shall consist of seven members. Four members shall be appointed by the Developer. The remaining three directors shall be elected from the membership of the Association at its first annual or special meeting in 1982.

Section 3. At the first annual meeting of the Association to be held after the end of the Developer Control Period, seven directors shall be elected from the membership of the Association. The four directors receiving the highest number votes shall be elected to two-year terms. The directors receiving the fifth, sixth and seventh highest totals of votes shall be elected to one-year terms. Thereafter, directors shall be elected to terms of two years.

Section 4. Nominations for interim directors to be elected by the Association from its members shall be made pursuant to Article IX. To the extent that provisions of Article IX do not conflict with this Article XIV, such Article IX shall govern the duties of the Secretary and the manner in which member-directors are elected.

Section 5. Directors shall serve until their successors are elected. From the date of adoption of these By-Laws to the annual meeting following the end of the Developer Control Period, all vacancies created by death, disability or resignation shall be filled by the remaining directors, providing that the Developer officers or employees of Developer selected by Developer, and member-directors shall be replaced by members of the Association.

Section 6. Notwithstanding the above, Developer-Directors may by unanimous consent agree to replacement by any Developer-Director with a Member-Director at any time prior to the annual meeting following the end of the Developer Control Period, providing that said Member-Director shall be appointed to a term to terminate at said annual meeting following the end of the Developer Control Period.

Section 7. These by-laws cannot be amended during the Developer Control Period without the written consent of the Developer.