

**BYLAWS**  
**OF**  
**MALLARD'S LANDING ASSOCIATION**

**ARTICLE I**

**Name, Principal Office and Purposes**

The name, principal office and purposes of the club ("Club") shall all be as set forth in the Articles of Association as from time to time amended.

**ARTICLE II**

**Members**

1. Members. The Membership of the Club shall consist of all persons who have filed with the Club a duly executed Membership Application and Initiation Fee form, along with the requisite refundable and/or nonrefundable initiation fee (to be determined by the Board of Directors from time to time) and have received the Club's acceptance, subject to completion of the transfer of a share of the Corporation's capital stock to such person (hereinafter a "Member"). Such Membership shall continue until terminated in accordance herewith. The Board of Directors shall establish the maximum number of Memberships that will be available, which number may be changed from time to time at the Board's discretion. Each Member, upon payment of the refundable and/or nonrefundable initiation fee and any other required deposits and application fees, shall be entitled to a single share of the Corporation's capital stock (a "Share") and a certificate in evidence thereof. Each Member shall pay dues annually on or before April 15th of each year of his/her membership and such other assessments as are determined by the Board of Directors on or before the respective date specified for the payment thereof.

2. Right of a Member's Family and Guest(s) to use Facilities. No person except a Member of the Club and the family and guest(s) of a Member, may use any waters, properties or facilities owned, leased or contracted for by the Club.

(a) Each Member shall be entitled to the annual use of one and only one site for recreational purposes and, subject to applicable state and town land use, zoning, and other laws and ordinances, residency, upon such terms and subject to such Rules and Regulations established by the Club from time to time.

(b) As used herein and in the Club's Rules and Regulations, (i) the terms "family" shall include only children, grandchildren, brothers, sisters, parents and grandparents of a Member or his/her spouse; and (ii) the term "guest" of a Member shall include only persons who are actually visiting a Member who is present upon Club premises, free of any obligation or arrangement to pay rental or consideration to any Member.

3. Applications for Membership. Applications for membership may be made by filing a duly executed Membership Application and Initiation Fee form, along with the requisite refundable and/or nonrefundable initiation fee (to be determined by the Board of Directors from time to time) with the Treasurer. The application must be endorsed with the signature of the Member proposing to withdraw from the Club upon the acceptance of the applicant, unless there is a membership vacancy, and delivered to the Board or the Membership committee for investigation. After due investigation and approval by the Board or the Membership committee, the Board of Directors, at a Board meeting duly called, shall act upon the proposal. All proceedings regarding the consideration and election of applicants shall be strictly confidential.

4. Approval of New Members/Foreclosures.

(a) The Board of Directors shall determine whether to approve for Membership any prospective Member in the manner described in the policies adopted by the Board of Directors from time to time.

(b) Notwithstanding the authority of the Board of Directors to approve each new Member, whenever a Member shall seek to obtain a loan from a bank or credit union (hereinafter "Financing Institution") secured by a first mortgage and/or security agreement on the Member's Unit (hereinafter "Member's Secured Loan"), the Board of Directors is empowered by the Members of the Club to delegate to the Financing Institution the limited authority to approve as a new Member the successful bidder at foreclosure sale or transferee subsequent to a deed in lieu of foreclosure in the event that the Financing Institution forecloses on the Member's Secured Loan or accepts a deed in lieu of foreclosure.

(c) The Board of Directors shall determine whether it will make such a delegation of authority in accordance with the following procedure and pre-conditions to the delegation of such authority:

- i. The Board of Directors shall determine in each instance whether to so delegate the Board of Directors' authority to the Financing Institution, and the form of such delegation.
- ii. The Financing Institution shall agree to provide the Club with copies of all notices of default and all foreclosure notices. The Financing Institution and the Member shall further agree that in the event that the Member receives a notice of default or notice of foreclosure from the Financing Institution, the Club shall have the first option, but no obligation, to purchase the Member's Unit for consideration in the amount of the unpaid balance of the Member's Secured Loan, with said Financing Institution, which amount shall be paid to the Member in the form of the Club's assumption of the Member's Secured Loan.
- iii. The Financing Institution shall consent to the Club's assumption of the Member's Secured Loan; it shall agree that it will not deem the Member's Secured Loan to be in default; and it shall not foreclose on the Member's Secured Interest so long as the the Club brings the loan default current and continues to make the scheduled payments and otherwise performs as required under the applicable loan documents.

- iv The Member shall have granted the Club an irrevocable power of attorney which empowers the Club to sign all documents and instruments reasonably required to carry out the intent of these Bylaws as attorney in fact for the Member.

(d) If the Club elects to exercise its first option to purchase the Member's Unit, the Member shall cooperate in all ways with the Club to complete the transfer of the Member's Unit to the Club. If the Member does not so cooperate, the Club has the authority pursuant to the Member's irrevocable power of attorney as provided in this Article II, Section 4(c)(iv) to sign all documents necessary to complete the transfer of the Member's Unit to the Club.

(e) If the Club subsequently sells a Member's Unit that the Club has acquired pursuant to section (c) of this Article II, then from the proceeds of the sale the Club shall (i) pay in full the Member's Secured Loan which was assumed by the Club; and (ii) reimburse itself for all costs incurred by the Club with respect to the assumption of the Member's Secured Loan, the payment of debt service on the Member's Secured Loan by the Club, ownership, maintenance, and improvements to the Member's Unit, and the sale of the Member's Unit (including reasonable attorneys' fees). Any net proceeds remaining after all such payments shall be remitted to the Member as additional consideration for the Club's purchase of the Member's Unit.

(f) The Board of Directors shall have the authority to exercise the powers set forth in this Section/Article without a meeting of the Members or Shareholders.

(g) In the event the Financing Institution shall foreclose its secured loan or accept a deed in lieu of foreclosure, said Financing Institution shall transfer and convey the secured premises to any successful third party bidder or to any transferee subsequent to a deed in lieu of foreclosure chosen by the Financing Institution, and such third party bidder/purchaser or transferee subsequent to a deed in lieu of foreclosure shall be accepted as a Member of the Club, notwithstanding any provision of the Association By-Laws, Rules and Regulations to the contrary. Any new Member approved by a Financing Institution in accordance with Article II, Section 4(b) shall be subject to the same terms of Membership as all other Members and shall be governed by the Articles of Agreement, Bylaws and all other rules and policies of this Club.

5. Death of Member. Upon the death of a Member who is survived by a spouse, the membership rights, including the Share, shall automatically pass to such spouse unless the surviving spouse has been disinherited by will or applicable law. Upon the death of a Member without a surviving spouse who may succeed to the Member's membership rights and Share, an heir or legatee named by the Member in a will or trust to succeed to the ownership of a dwelling unit may apply for membership, and upon approval shall succeed to the membership rights and the Share of the deceased Member. Applications for membership by heirs or legatees must be made to the Club within ninety (90) days of the Member's date of death.

If a Member dies without a surviving spouse who may succeed to the Member's membership rights and Share, or if the deceased Member's heir or legatee is not approved as a Member, his/her membership rights shall cease and his/her Share shall be returned to the Corporation.

In the event that a Member dies without a surviving spouse who may succeed to the Member's membership rights and Share and there is no heir or legatee of a deceased Member who applies for and is

granted membership in the Club, then the duly appointed representative of the deceased Member's estate (the "Administrator"), or any trustee who has legal title to the deceased Member's personal property (the "Trustee"), including without limitation, the dwelling unit, shall be allowed an opportunity to sell any personal property of the deceased Member that is located upon the Club's property. The Administrator or Trustee may access the Club's property and the dwelling unit for purposes of maintaining, selling, or removing personal property only. The Administrator or Trustee shall have an obligation to maintain, pay, and keep current all taxes, membership dues and other assessments imposed by the Club until such time as all personal property of the deceased Member has been removed from the Club's property or sold to a third party who has been approved as a Member.

If the personal property is not sold or removed within one hundred eighty (180) days of the appointment of the Administrator, or within one hundred eighty (180) days of the Member's death when a Trustee has legal title to the Member's personal property, the Club may charge the deceased Member's estate or the Trustee a fee for each month that the personal property remains on the Club's property. The amount of the monthly fee shall be listed in a schedule of fines and fees adopted by the Board, which may be adjusted from time to time.

If no petition for estate administration is filed within thirty (30) days of the Member's date of death, and if there is no Trustee with legal title to the deceased Member's personal property, the Club may itself file a petition for estate administration as a creditor of the deceased Member and shall be entitled to reimbursement for all fees incurred as a result of administering the deceased Member's estate.

6. Transfer of Membership and Share. No person other than a Member of the Club shall be the holder or owner of a Share, and any attempted transfer of a Share to a person who is not a Member or to a Member who already owns a Share shall be null and void. If a request for the approval of the transfer of a membership is made by a Member who proposes to withdraw from the Club and such transfer is approved, or in the case of a transfer upon the death of a Member as set forth in Article II, Section 5, and the proposed transferee (new) Member is approved by the Board of Directors, the transfer shall be subject to the following provisions:

(a) Transfer to a family member. If the Board of Directors approves a transfer of a membership from a Member to a transferee who is part of the Member's family, as defined in Article II, Section 2, subsection (b), the transfer shall be governed by Article II, Sections 1 and 3, subject to the following exceptions:

(i) the transferee shall not be required to pay an additional initiation fee or other required deposits and application fees, and

(ii) the transfer shall be deemed to include the transfer of the transferor's amenities. As used in this subsection, the term "amenities" means any supplemental benefit, service, or right that a Member enjoys as a member of the Club, including, but not limited to, dock rights, mooring rights, canoe rack spaces, storage space in Birch Hall or the containment area, and any other similar right that may be added in the future.

(b) All other transfers. Transfers to individuals who are not part of the Member's family as defined in Article II, Section 2, subsection (b), shall be governed by Article II, Sections 1 and 3, and specifically shall not include "amenities" as defined in Article II, Section 6, subsection (a).

7. Vote. Each Member shall have one (1) vote only at a meeting of the Members, and each Shareholder shall have one (1) vote only at a meeting of the Shareholders.

8. Additional Rules and Regulations. The Board of Directors may establish and enforce any and all additional Rules and Regulations deemed advisable and necessary.

9. Initiation Fee. The nonrefundable initiation fee set forth in Article II, Sections 1 and 3 shall be a required component of all applications for membership submitted after July 1, 2017. All "operating deposits" or "buy-in fees" paid by Members prior to July 1, 2017 shall be deemed to be refundable initiation fees.

10. Notices. All notices or demands sent to a Member pursuant to these Bylaws or any other Club documents shall be effective if delivered to the Member in hand or at his or her dwelling unit in Mallards' Landing, or via certified mail, return receipt requested, to the mailing address on file with the Club's Secretary. All notices or demands sent to persons who are not Members of the Club pursuant to these Bylaws or any other Club documents shall be effective if delivered by certified mail, return receipt requested, to the mailing address(es) obtained by the Club's Secretary after making reasonable inquiry.

Notices or demands sent to the Club pursuant to these Bylaws or any other Club documents shall be effective if delivered to an officer in hand or at the office of the club at 200 Union Road, Belmont NH 03220, or via certified mail, return receipt requested, to the mailing address of any Club officer that is on file with the Club's Secretary.

### **ARTICLE III**

#### **Meetings of the Members**

1. Annual Meetings. The annual meeting of the Club shall be held on the first Saturday of July at 10:00 o'clock in the forenoon at the Club site in New Hampshire, or at such other place as the Board of Directors may specify, unless such day shall be a legal holiday. If such day be a legal holiday, then at the same hour and place on the second Saturday of July.

2. Special Meetings. Special meetings of the Club may be called by the President or the Board of Directors or by twenty-five percent (25%) of the Members of the Club by giving written notice thereof to the Secretary. Such call shall state the time, place and purpose of the meeting, and the Secretary shall then give not less than ten (10) and not more than sixty (60) days' notice, based on the date of postmark of such notice, in writing of such meeting to each Member at the address of record, which notice shall state the time, place and purpose of such meeting.

3. Member Voting. Except as otherwise provided, a quorum for any meeting of the Club shall be a majority of the Members represented in person or by proxy, and an affirmative vote of those Members so represented, shall be required to pass any motion, vote or resolution on any matter submitted to the Members. Members may vote in person or by a duly authenticated proxy issued for the respective meeting. Each Member is entitled to vote at a meeting of the Members or to express consent or dissent by

appointing another Member or a member of the Member's family as proxy, by signing and dating a written instrument setting forth the name of the person appointed to act as the Member's proxy.

4. Shareholder Voting. The voting power of the holders of Shares is limited to those matters specified in the Articles of Association. Shares may only be voted by unanimous written consent or at a special meeting of the Members duly called and noticed and with a quorum present as provided in Section 2 of this Article III, and only if the notice for such meeting states that a Shareholder vote will be taken at the meeting and states the subject matter of such Shareholder vote.

At all meetings of Shareholders, a Shareholder may vote in person or by proxy executed in writing by the Shareholder or by a duly authorized attorney-in-fact. Such proxy shall be signed, dated and filed with the Secretary of the Club before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

5. Stock.

6. Transfer of Shares. A transfer of a Share of the Club shall be made only on the stock transfer books of the Club by the Member who is the holder of record thereof or by his/her legal representative, who shall furnish proper evidence of authority to transfer, or by his/her attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Club, and on surrender for cancellation of the certificate of such Shares. The Member in whose name a Share stands on the books of the Club shall be deemed by the Club to be the owner thereof for all purposes. The Club shall be entitled to treat the holder of record of any Share as the owner thereof and shall not be bound to recognize any equitable or other claim to or interest in such Share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the statutes of the State of New Hampshire.

(a) Lost, Stolen or Destroyed Certificates. Any Member claiming that his/her certificate for his/her Share is lost, stolen or destroyed may make affidavit or affirmation of that fact and lodge the same with the Secretary of the Club, accompanied by a signed application for a new certificate and lost certificate indemnification. Thereupon, a new certificate may be issued representing the same Share as was represented by the certificate alleged to have been lost, stolen or destroyed.

(b) Closing of Transfer Books or Fixing of Record Date. For the purpose of determining Shareholders entitled to notice of or to vote at any meeting of Shareholders of any adjournment thereof, or Shareholders entitled to receive payment of any distribution, or in order to make a determination of Shareholders for any other purpose, the Club's Board of Directors may provide that the share transfer books shall be closed for a stated period but not to exceed, in any case, sixty (60) days. If the share transfer book shall be closed for the purpose of determining Shareholders entitled to notice of or to vote at a meeting of Shareholders, such books shall be closed for at least ten (10) days immediately preceding the meeting. In lieu of closing the share transfer books, the Board of Directors may fix in advance a date as the record date in any case to be not more than sixty (60) days, and in case of a meeting of Shareholders, not less than ten (10) days prior to the date on which the particular action, is required such determination of Shareholders, is to be taken. If the Share transfer books are not closed and no record date is fixed for determination of Shareholders entitled to notice of or to vote at a meeting of Shareholders, or Shareholders entitled to receive payment of a distribution, the date on which notice of the meeting is mailed or the date

on which the resolution of the Board of Directors declaring such distribution is adopted, as the case may be, shall the record date for such determination of Shareholders. When a determination of Shareholders entitled to vote at any meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjourned meeting thereof.

## **ARTICLE IV**

### **Board of Directors**

1. **Management.** The management and control of the affairs of this Club and the authority to exercise all of its powers, except as provided for in Article IV, Section 9 and Article XII, shall be vested in and exercised by a Board of Directors consisting of at least nine (9) Members who shall serve for a term of three (3) years (expiring with the third annual meeting of the Club following their election or the election and qualification of their successors.) The Board shall have the power to appoint any Member in good standing to fill any vacancy on the Board of Directors, or hold an election to fill such vacancy, or allow such vacancy to remain unfilled for the remainder of the term thereof. The term of any replacement Director shall be for the unexpired term of the respective predecessor Board member.

2. **Term.** A Director may not serve more than two (2) successive three (3) year terms of office.

3. **Board Meetings.** The Board of Directors may meet anywhere. Special meetings of the Board shall be called upon the written request of any three (3) Members of the Board or at the discretion of the President and shall be held at the time and place specified in the respective request and call. Written notice (which may be by telefax or electronic mail) shall be sent to each Director in a manner so as to be received at least two (2) days prior thereto, with at least three (3) business days to be allowed for first class U.S.Mail. The attendance of a Director in person at any meeting shall automatically constitute a waiver of notice thereof except as to specific matters as to which advance written notice is expressly required by these Bylaws, which notice may be waived only by a writing signed by the person or persons entitled to such notice.

4. **Annual Organizational Meeting.** The annual organizational meeting of the Board shall be held immediately following the annual meeting of the Club and shall be held in an executive session of the Board. In the absence of such annual organizational meeting, a special organizational meeting shall be held at such time and place as a majority of the Board shall determine.

5. **Notices.** The Secretary shall prepare and cause all notices to be sent as herein mentioned.

6. **Quorum.** A quorum at any regular or special meeting shall consist of two-thirds (2/3) of the Directors then in office. In the absence of a quorum, or when a quorum is present, a meeting may be adjourned to be continued at a later time by vote of the Directors present, with notice of the time and place of continuation given by announcement to those present at the meeting and without requirement of further notice to any other Directors.

7. **Voting.** All matters considered at a meeting shall be decided by a two-thirds (2/3) majority vote of all Directors then in office, each Director having one vote and all votes shall be by voice vote, except that upon request of anyone present a vote by secret ballot shall be taken.

8. Meetings. Unless otherwise provided in the Articles of Association, any action required or permitted to be taken at any meeting of the Board may be taken without a meeting by written consent of a sufficient number of Directors as would be necessary to take such action at a meeting at which all of the Directors were present, such written consent setting forth the action taken or to be taken and the intended effective date of such action, and such document to be filed with the minutes of proceedings of the Board.

9. Expenditures. Any expenditure of association funds in excess of Ten Thousand Dollars (\$10,000) that is not an expenditure in response to an emergency or a usual and customary expenditure of the Club shall first be presented to and approved by a vote of the Membership at a general membership meeting, either regular or special, called by the Board of Directors, provided there is a quorum as provided by Article III, Section 3. If no such quorum is present at a duly called and noticed meeting of the Members, which notice states that one purpose of the meeting is to consider such an expenditure, then the authority to spend such sums shall revert back to the Board of Directors.

## ARTICLE V

### Officers

1. Officers. The officers of the Club shall consist of a President, Vice President, a Secretary, a Treasurer and such other officers as the Board of Directors may from time to time determine. One person may not hold more than one (1) office at a time.

2. Election of Officers. At each Annual Organizational Meeting (or special meeting held in lieu thereof), the Board of Directors shall elect officers. The officers of the Club shall hold office for a term of one (1) year and until their successors are chosen and qualified, unless sooner removed in accordance with these Bylaws. Vacancies, no matter how created, may be filled at any annual or special meeting of the Board.

3. Duties. The officers of the Club shall perform such duties as may be required of them by the Board of Directors.

4. President. The President shall be elected annually by the Board of Directors at its annual meeting, and shall hold office for one year and until his/her successor shall be chosen. The President shall be the Chief Executive Officer of the Club and he/she shall preside at all meetings of the Members and Directors and shall perform such other duties as are imposed on him/her by these ByLaws or as may be assigned to him/her by the Directors.

5. Vice-President. In the absence of the President or if the President is unable to act, the Vice-President shall preside over the meetings of the Members and Directors, and in addition shall perform such other duties as are imposed upon him/her by these Bylaws or as may be assigned to him/her by the Directors.

6. Treasurer. The Treasurer when necessary or proper, may endorse on behalf of the Club for collection, checks, notes and other obligations, and may deposit the same to the Club. He/she shall make such payments as may be necessary or proper to be made on behalf of the Club, shall enter regularly on



the books of the Club to be kept for this purpose a full and accurate account of all monies and obligations received and paid or incurred for or on account of the Club, and shall exhibit such books at all reasonable times to any Director or Member on application at the offices of the Club. He/she shall, in general, perform all the duties incident to the office of Treasurer subject to the control of the Board of Directors. The Treasurer and all persons having signature power on any of the Club's accounts shall be bonded if and to the extent the Board of Directors requires from time to time, except as otherwise expressly provided by the Board.

6. Secretary. The Secretary shall keep the ByLaws with a reference in the margin thereof to all amendments thereof. He/she shall also keep a true record of the proceedings of all meetings of the Members and of the Directors in books provided for that purpose. If the Secretary is absent from any such meeting, a Temporary Secretary shall be chosen at the meeting who shall keep a true record of the proceedings thereof. He/she shall have custody of any seal of the Club.

7. Agents. The Board of Directors may appoint such agents and representatives of the Club with such powers and to perform such acts or duties on behalf of the Club as the Board of Directors may see fit, so far as may be consistent with these ByLaws, to the extent authorized or permitted by law.

## **Article VI**

### **Funds and Contracts**

1. Contracts. The Board of Directors may authorize any officer, employee or other person, in the name of and on behalf of the Club to enter into any transaction, contract or lease agreement or to execute and deliver any instrument or to sign checks, drafts or other orders for payment of money or notes or other evidence of indebtedness, and such authority may be general or it may be confined to specific instances.

2. Funds. All funds of the Club not otherwise employed shall be deposited from time to time to the credit of the Club in such banks, trust companies or other depositories or institutions as the Board of Directors may select; and for the purpose of such deposit, the officer and/or employees to whom such power is expressly delegated by the Board, may endorse, sign and deliver checks, drafts and other orders for the payment of money to the order of the Club.

## **ARTICLE VII**

### **Removal and Indemnification of Officers**

1. Removal. The Board of Directors may at any meeting with respect to which written notice of a proposed removal of a Director has been given, by a two-thirds (2/3) vote of all Directors then in office, remove from office, or as a member of the Board of Directors, any person with or without cause. Additionally, any and all Directors may be removed as a member of the Board of Directors, by a two-thirds (2/3) vote of all Members with or without cause, at a special meeting called for that purpose, with written notice given to all Members and Board of Directors. The Director(s) facing removal may appear in person and be heard or present a written statement at any such meeting.

In the event the Members remove the entire Board of Directors, the Members are empowered to manage the affairs of the Corporation in lieu of the Board of Directors until such time as a new Board of Directors is elected which election shall be held no later than sixty (60) days after the removal of the entire Board.

2. Indemnification. Each Director and Officer of the Club (and their respective heirs, executors and administrators) shall be indemnified by the Club against any cost, expense (including attorney's fees), judgement and liability reasonably incurred by or imposed upon him in connection with any action, suit or proceeding to which he/she may be made a part or with which he/she be threatened, by reason of his/her being or having been a Director or Officer of this Club, except with respect to matters as to which he/she be finally adjudged in such action, suit or proceeding to be liable for willful misconduct as such Director or Officer. In the event of settlement of any such action, suit or proceeding brought or threatened, such indemnification shall be limited to matters covered by the settlement as to which the Club is advised by counsel that such Director or Officer is not liable for willful misconduct as such. The foregoing right of indemnification shall be in addition to any rights to which any Director or Officer may otherwise be entitled.

## ARTICLE VII-A

### Fines

1. Power to Impose Fines. The Board of Directors may impose fines for violations of the Club's Articles of Association, Bylaws, Rules and Regulations, or other formal written policies by a Member or his or her family members or guests as provided by this Article. If the violator is not a Member, the Member whose family member or guest has committed the violation shall be responsible to pay all fines and to cure all violations. The Board may impose fines only after the following procedure has been complied with.

2. Schedule of Fines and Fees. The Board shall adopt a schedule of fines and fees that includes the dollar amount(s) that may be imposed for each violation. The schedule of fines may be amended by the Board from time to time.

3. Investigation and Notice. The Board will investigate all complaints of violations of the Club's Articles of Association, Bylaws, Rules and Regulations, or other formal written policies. Where possible, the Board shall give a Member the opportunity to correct a violation prior to the issuance of a notice of violation. If, after the investigation, the Board determines that the complaint is valid and that a Member, or the Member's family member or guest, has committed a fineable violation, the Board will provide the Member with a written notice that includes:

- (a) the nature of the alleged violation;
- (b) the action required to cure the violation;
- (c) the expected time frame to correct the violation; and
- (d) the fine that will be assessed if the violation is not corrected.

4. Imposition of Fines. If the violation is not cured within the time period specified in the written notice, the Member will be assessed a fine consistent with the Board's prior notice. The Board shall deliver written notice of the assessment of the fine and a request for payment to the Member as provided in these Bylaws.

5. Payment. Fines shall be paid by the Member within 10 days after the delivery of the Board's written notice of the violation. Failure to pay fines in a timely manner may result in the suspension of the Member's Annual Site Permit consistent with Section 6 of the Annual Site Permit, or the suspension or termination of the Member's membership consistent with Article VIII.

## **ARTICLE VII-B**

### **Liability for Costs and Fees**

1. Liability. The costs, expenses, and reasonable attorneys' fees incurred by the Club while enforcing violations the provisions of the Club's Articles of Association, Bylaws, Rules and Regulations, or other formal written policies, including any policy regarding fines, shall be reimbursed by the Member who committed the violation or whose family member or guest committed the violation.

2. Payment. The Board shall deliver a written demand for payment of the costs, expenses, and reasonable attorneys' fees incurred by the Club as a result of enforcement actions to the responsible Member pursuant to the notice provisions of these Bylaws. The responsible Member shall pay the costs, expenses, and/or reasonable attorneys' fees within 10 days of delivery of the written demand. Failure to pay the Club's costs, expenses, and/or reasonable attorneys' fees in a timely manner may result in the suspension of the Member's Annual Site Permit consistent with Section 6 of the Annual Site Permit, or the suspension or termination of the Member's membership consistent with Article VIII.

## **ARTICLE VIII**

### **Involuntary Suspension and Termination of Membership**

1. Determination of Violation. If the Board of Directors finds by two-thirds (2/3) vote that a Member has failed to pay dues, assessments, or other charges imposed upon him or her by the Club, or that the Member has committed a serious violation of the Articles, Bylaws, Rules and Regulations, or other formal policies or rules of the Club, the Board shall send a written notice to the Member in violation, specifying the violation, and providing notice of a meeting of the Board to be held for the purpose of addressing and resolving the violation. Such a meeting shall be held no sooner than 15 days after written notice is mailed. The affected Member may appear in person and be heard, or may present a written statement at the meeting.

2. Board Vote to Suspend or Terminate Membership and Notice to Member. When there has been no cessation of the violation, or no resolution of the situation satisfactory to the Board, the Board may immediately vote to temporarily suspend or terminate all membership rights and privileges of the Member by a two-thirds (2/3) vote of the entire members of the Board then holding office. Within seven (7) days of the vote suspending or terminating the Member's membership rights and privileges, the Board

shall send written notice to the affected Member, stating the exact nature of the violation and the length of suspension, which may be temporary or permanent. Said notice shall set forth the rights of the Member for reinstatement and arbitration, which shall be as follows:

The suspended Member may, within seven (7) days of receiving notice of his/her membership suspension or termination, apply in writing to the Board for reinstatement of his/her membership rights and privileges setting forth facts indicating the violation has ceased and a statement that it will not reoccur. The Board shall consider such application at its next regularly scheduled meeting or at a special meeting, which shall in either case be held no later than thirty (30) days after the receipt of such application by the Board. If the Board, by two-thirds (2/3) vote of the entire members of the Board then holding office, decides not to reinstate membership rights and privileges, the Board shall send written notice of the decision to the Member within seven (7) days of the vote.

If the Member chooses to forego the reinstatement application process above, or if such reinstatement is denied, the suspended Member shall have the right to request, in writing, that the dispute be heard by a five (5) member panel of arbitrators. All written requests for arbitration must be sent by the Member to the Board within fourteen (14) days of receiving notice of his/her membership suspension or termination, or within seven (7) days of receiving notice that membership reinstatement has been denied, whichever is later.

The five-member arbitration panel shall be randomly selected from the entire remaining membership, excluding any Board member or any relative of the suspended Member and/or any Director. Only voting members who are in good standing and are able and willing to serve shall sit on the arbitration panel. If any selected arbitrator shall be unable to serve, the above process shall be repeated until five (5) members are empaneled.

3. Arbitration Hearing and Decision. The arbitration panel shall hold a hearing within thirty (30) days of the arbitration request, at which hearing the suspended or terminated Member and the Board and any Officer shall have the right to be heard. The arbitration panel shall issue a written decision of a majority of the arbitrators, within five (5) days of the hearing. Copies of the panel decision shall be delivered to the Club and the Member within seven (7) days of the decision, pursuant to the notice provisions of these Bylaws. The decision of the arbitrators shall be final and binding on all parties.

If the arbitration panel upholds the suspension or termination, the Member must comply with the terms of the suspension or termination. If the arbitration committee finds in favor of the suspended Member, the Club shall restore all membership rights and privileges to the suspended or terminated Member.

The foregoing arbitration provisions shall apply only to suspensions and terminations resulting from violations or non-payments where the offending conduct occurred on or after August 1, 2000.

4. Removal of Property and Forfeiture. In the event a Member is permanently terminated, the Member has the right to remove all personal property (including the Member's dwelling unit) or to put the personal property up for sale to a third party, who must apply to the Board for membership approval. The terminated Member may access the Club property and the dwelling unit for the purpose of maintenance, selling, or removing the personal property only. If the personal property is not sold within one hundred eighty (180) days of the Board's vote permanently terminating the Member, it shall be forfeited to the Club, which may dispose of it as the Board shall determine.

The terminated Member has an obligation to maintain, pay, and keep current all taxes, membership dues, and other assessments imposed by Mallards' Landing until such time as all of the Member's personal property has been removed from Mallards' Landing or sold to a third party. If the terminated Member defaults in this obligation, Mallards' Landing shall have the right to retain the Member's Operating Deposit and enforce its rights in accordance with the Articles, Bylaws, Rules and Regulations, other formal policies, or applicable law.

**ARTICLE IX**

**Provisions Relative to Directors and Officers**

In the absence of bad faith, no contract or transaction by this Club shall be void, voidable, or in any way affected by reason of the fact that the contract or transaction is (a) with one or more of its Directors or Officers, (b) with a Club, organization or other concern in which a Director or Officer of this Club is an Officer, Director, Member or Employee is in any way interested, or (c) one in which a Director or Officer of this Club is in any way interested; and in the absence of bad faith no Director or Officer of this Club shall be liable to this Club or creditor thereof or to any person for any loss incurred by reason of such contract or transaction or be accountable for any gains or profits realized as a result of such contract or transaction; and the provisions of this paragraph shall apply notwithstanding the fact that the presence of a Director or Officer with whom a contract or transaction is made or entered into or who is an Officer, Director, stockholder or employee of an organization or other concern with which a contract or transaction, was necessary to constitute a quorum at a meeting of Directors at which such contract or transaction was authorized and/or whose vote was necessary for the adoption of such contract or transaction.

**ARTICLE X**

**Prohibition Against Sharing in Corporate Earnings**

No Director, Officer, or Member or person connected with the Club, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Club, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Club in effecting its purposes. All Members of the Club shall be deemed to have expressly consented and agreed that upon dissolution or winding up of its affairs, whether voluntary or involuntary, after all debts have been satisfied, all assets then remaining in the hands of the Board of Directors shall be distributed, transferred, conveyed, delivered, or paid over as provided in the Club's Articles of Association, subject to deduction of any amounts due and owing by any Member to the Club from any amounts otherwise distributable to such Member.

**ARTICLE XI**

**Fiscal Year**

The fiscal year of the Club shall end on the 31<sup>st</sup> day of December in each year.

**ARTICLE XII**

**Amendments**

Amendments and alternations to these Bylaws may be proposed to the membership by a three-quarter (3/4) vote of the entire Board of Directors then in office, notice of which proposed amendment or amendments having been given to each Director along with advance notice of the respective meeting where such action is taken.

Changes to the Bylaws thus approved by the Board of Directors shall then be voted upon by the general membership at the next following Annual Meeting. A simple majority of the membership voting shall be sufficient to pass such changes.

[End of Bylaws]

Adopted: July 1, 2000

Amended: July 3, 2004; July 1, 2017