

BYLAWS OF INDIAN COVE RESORT ASSOCIATIONS

ARTICLE I

DUTIES OF THE ASSOCIATION

- SECTION 1.1 PURPOSE.** Indian Cove Resort Association, Inc. ("Resort Association") was organized to provide an entity for the operation of Indian Cove Resort located on real property as described in the Joint Use and Reservation System for Indian Cove Resort (the Declaration), recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia which together with supplements and amendments thereto, if any, are referred to as Declaration, and to exercise the rights given to the corporation by the Declaration.
- SECTION 1.2 DEFINED TERMS.** The capitalized terms used in these Bylaws shall have the respective meanings assigned to them in the Declaration, unless otherwise specifically defined herein or unless the context expressly requires another meaning.
- SECTION 1.3 DUTIES OF RESORT ASSOCIATION.** In discharge of its overall responsibilities and in furtherance of its purposes, the Resort Association will, among other things, elect a Board of Directors to:
- a. Provide for the orderly use of the Camping Lots and Common Areas occupied by Owners, guests of Owners, and non-Owners, including persons who participate in campground exchange programs approved by the Board of Directors.
 - b. Provide for the management and maintenance of Indian Cove Resort, and the operation and management of the Joint Use System described in and established by the Declaration.
 - c. Act on behalf of all Owners in matters of contract or otherwise, which affect or relate to Indian Cove Resort.
 - d. Enter into service contracts in connection with a certain agreement between the Resort Association and the City of Virginia Beach, Virginia, dated September 25, 1978, recorded in the Clerk's Office in Deed Book 1844, page 137.
 - e. Furnish to Owners and others copies of the Declaration, certificates referred to in the Declaration and Section 6.4 hereof, and other matters relating to the Joint Use System described in the Declaration, upon payment by the Owner or others of such fees as may be established by the Resort Association for such services.
 - f. Maintain appropriate financial records accounting for the collection of dues and assessments, and expenditures thereof, which records or appropriate summaries thereof will be made available to the Members pursuant to the provisions of these Bylaws.
 - f. Collect all dues and assessments imposed on Members of the Resort Association.
 - g. Perform such other acts as may be appropriate for the orderly operation and management of Indian Cove Resort.
- SECTION 1.4 MANAGEMENT MATTERS.** The Board of Directors of the Resort Association may enter into management agreements with one or more entities, to which it contracts for management services required to discharge its responsibilities and duties under the Declaration and these Bylaws, for the management, operation and maintenance of Indian Cove Resort. (Rev.1/07)

ARTICLE II

OFFICES

- SECTION 2.1 PRINCIPAL OFFICE.** The principal office of the Resort Association shall be located at Indian Cove Resort, Virginia Beach, Virginia, or such other place as the Board of Directors may from time to time designate.
- SECTION 2.2 REGISTERED OFFICE.** The Registered Office of the Resort Association in Virginia (as required by law) shall be at such place as the Board of Directors shall from time to time by resolution determine, and may, but need not be, at the principal office of the Resort Association.
- Section 2.3 Other Offices.** The Board of Directors of the Resort Association may, in addition to its principal office, have offices at such other places in Virginia as the Board of Directors may from time to time appoint or as the business of the Resort Association may require.

ARTICLE III

MEMBERSHIP ARRANGEMENT

- SECTION 3.1 GENERAL.** As provided in the Declaration, each Owner in the Association is a Member of the Resort Association, however that such Membership is not intended to apply to those persons who hold an Undivided Interest merely as security for the performance of an obligation to pay money or for the performance of any related obligation associated with the maintenance of the security of the property until such time, if ever, as such person may become a legal Owner of an Undivided Interest through having realized on the security of lien interest. Membership in the Resort Association is appurtenant to and may not be separated from Ownership of an Undivided Interest. Where an Undivided Interest is owned by more than one person or by any entity, the Membership in the Resort Association shall be determined as set forth below.
- SECTION 3.2 LIFE TENANT AND REMAINDERMAN.** In any case in which any Undivided Interest is held by one or more persons for life, with the remainder to any other or others only such life tenant or tenants shall be deemed as Member or Members of the Resort Association until such time as the remainder man or remainder men shall come into use, possession, and enjoyment of such Undivided Interest, at which time the remainder man or remainder men shall be deemed a Member or Members of the Resort Association in the place of the life tenant or tenants.
- SECTION 3.3 TRUSTEES.** In any case in which any Undivided Interest is held in trust, the trustee or trustees and not any beneficiary shall be a Member or Members of the Resort Association, except that the beneficial Owner or Owners shall be deemed a Member or Members in any case where the Undivided Interest is held under a deed of trust or title is otherwise transferred solely for purposes of securing a debt.
- SECTION 3.4 MULTIPLE OWNERS.** In any case in which an Undivided Interest is owned by one or more persons or by an entity, Membership in the Resort Association shall be determined as follows:
- a. Where two or more persons jointly own an Undivided Interest, Membership in the Resort Association will be issued to only one of such persons. Unless as such persons agree to a contrary designation, the person whose name first appears in the granting clause of the deed conveying such Undivided Interest shall be deemed to be the Member of the Resort Association.
 - b. Where a corporation, partnership, joint venture or other legal entity owns an Undivided

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Interest, and the voting privilege appurtenant to that ownership may be exercised only by a proxy executed on behalf of such party or parties, filed with the Association, and appointing and authorizing one person or alternate persons to attend all annual and special meetings of the Members and cast the vote on behalf of the entity. (Rev. 1/07)

- c. Where an Undivided Interest passes under the will of a deceased person or by the laws of intestacy to more than one person, and unless all such persons agree to a contrary designation, the first person designated in the will, or in the case of intestacy, the first person listed as an heir in the list of heirs filed in the probate proceedings, shall be deemed a Member of the Resort Association.

SECTION 3.5 OTHER CASES. In any case involving a determination of Membership not specifically provided for above, the Board of Directors shall, by resolution, determine which person or persons holding the Undivided Interest shall be deemed a Member of the Resort Association.

SECTION 3.6 CLASSES OF MEMBERSHIP. In accordance with the Declaration, Section 6.3, B1 and as stipulated June 30, 1991, there shall be one class of Members. The class of Members, qualifications and voting rights are as follows and from here forth be known as Members: (Rev.1/07)

- a. **Class A Members.** All Memberships automatically are converted to a Class A Membership and shall consist of each Owner as specified in 3.4. Members shall be entitled to one vote for each Undivided Interest owned. The exercise of the voting right, where the Undivided Interest is owned by more than one individual person or by an entity, or both, shall be determined in accordance with the provisions of the Declaration and these Bylaws. (Rev. 1/07)
- b. **Voting rights of Members.** Until changed by an amendment to the articles of incorporation of the Resort Association, Members shall be entitled to one vote for each Undivided Interest owned, exercisable in person or by proxy if there are no outstanding dues, assessments, fines or other moneys due. As to all matters as to which the Members are entitled to vote, whether under this Declaration or by law, the vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present, voting together, shall be the act of the Members, unless the vote of a greater proportion is required by law, or unless otherwise provided in the articles of incorporation, including amendments thereto, of the Resort Association. (Rev. 1/07)

SECTION 3.7 SUSPENSION OF PRIVILEGES AND/OR VOTING RIGHTS. The privileges and/or voting rights of any Member, of the Resort Association may be suspended by action of the Board of Directors of the Resort Association during the period when any dues or assessments validly levied against such Member or any late charges, interest, or collection costs with respect to such dues or assessments shall remain delinquent or unpaid; but upon payment of all such delinquent dues and assessments and all late charges, interest and collection costs, the voting rights and/or privileges of such Member shall automatically be restored.

SECTION 3.8 TERMINATION OF MEMBERSHIP. Upon transfer of Ownership of an Undivided Interest, the Owner who transfers such interest shall cease to be a Member of the Resort Association, and the new Owner of such Undivided Interest shall become a Member of the Resort Association. The termination of Ownership shall not, however, relieve any Owner of obligations under the Declaration or these Bylaws which shall be accrued prior to the time of transfer of Ownership.

SECTION 3.9 PROHIBITION AGAINST LEASES. Notwithstanding any other provision hereof, no Owner (other than Exclusive Owners as to their respective selected Camping Lots) shall lease the Undivided Interest, or grant a license or easement with respect to such Undivided Interest, for the purpose or having the

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effect of transferring rights of use and enjoyment of the Camping Lots and the Common Area from the Owner to another without a conveyance of such Owner's Undivided Interest.

ARTICLE VI

RIGHTS AND PRIVILEGES OF MEMBERS

SECTION 4.1 USE OF CAMPING LOT.

- a. **Exclusive Owners.** Each Member who is an Exclusive Owner shall have the exclusive right to use and occupy the Camping Lot selected by the Exclusive Owner at the time such person acquires an Undivided Interest in exchange for a unit Owner's interest in the terminated condominium as described in the Declaration, subject to the provisions of the Declaration. (Rev. 1/97)
- b. **Owners.** Each Member who obtains a reservation for use of a Camping Lot during a Reservation Period shall have the rights of use and occupancy set forth in the Declaration.

SECTION 4.2 USE OF COMMON AREA.

- a. **Exclusive Owners/Owner Members/Non-Owner Members.** Each Member shall have the rights of the use of the Common Area set forth in the Declaration.

SECTION 4.3 GUEST PRIVILEGES. Except as may otherwise be provided in the Bylaws, guest privileges may be extended in accordance with the following provisions.

- a. The Member's immediate family (defined below) shall have the same privileges in the Resort Association as the Member, except as otherwise provided below and except that rules and regulations relating to the number and frequency of guests allowed shall be applied to the family as a whole. Such Member shall be entitled to have a family dependent card issued to each Member of the Member's immediate family.
- b. Every guest shall be accompanied by the Member entertaining such guest. In all cases, a Member shall be responsible for the conduct of, and charges incurred by, such guest and Member privileges can be curtailed by misconduct of guest.
- c. The privilege of bringing non-Members as guests is extended only to Members and those authorized to have Member privileges, i.e. Coast to Coast and Workkampers, and their immediate families, but is not extended to dependent children (except as may be authorized by the Board of Directors) and is not extended to any other guest. (Rev. 1/07)
- d. No Member shall be entitled to entertain in any one calendar month more than 20 guests, unless specifically authorized by the Board of Directors.
- e. The Resort Association may extend guest privileges to non-Members as authorized from time to time by the Board of Directors.

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- f. The Resort Association may rent unreserved Camping Lots to guests of Members on such terms and conditions and for such rents as the Resort Association may determine. No Member shall be precluded from use of a Camping Lot to which he or she is entitled due to rental of guests of Members provided the member makes his or her reservation no later than 15 days prior to the start of the guest reservation. (Rev. 2/12)
- g. All guests of Members are subject to the Rules and Regulations promulgated by the Resort Association and Owners privileges are subject to review by the Board of Directors and suspension of such privileges due to misconduct of guests.

SECTION 4.4 IMMEDIATE FAMILY. For purposes of Section 4.3, the term "immediate family" shall include a Member's spouse and dependent children. Where an Undivided Interest is owned by more than one person, the term "immediate family" shall be deemed to include those persons who are not treated as the Member pursuant to Section 3.4 shall be determined in each case by the Board of Directors.

SECTION 4.5 RULES AND REGULATIONS. The Board of Directors shall establish such Rules and Regulations as may be necessary from time to time for the appropriate regulation and management of Indian Cove Resort, provided such Rules and Regulations are consistent with the Declaration and these Bylaws. Each Member shall use and occupy the assigned Camping Lot and the Common Area in accordance with such Rules and Regulations.

ARTICLE V

ANNUAL DUES AND ASSESSMENTS

SECTION 5.1 GENERAL. The Board of Directors of the Resort Association may levy annual dues as of May 1 of each year for the ensuing twelve months, and special assessments from time to time, against each Member of the Resort Association in accordance with the following provisions, to provide funds for the expenditures to be made by the Resort Association for the purposes set forth in the Declaration and for its general operations. (Rev. 1/07)

SECTION 5.2 ANNUAL DUES. The amount of the annual dues for the period from the time an Owner acquires an Undivided Interest or a Non-Owner Member joins the Resort Association to the immediately following April 30 shall be established by the Board of Directors at the time the Owner acquires the Undivided Interest or the Non-Owner Member joins the Association. For each 12-month period thereafter, from May 1 through the succeeding April 30 (the "Dues Year"), the amount of annual dues shall be determined by the Board of Directors. Dues shall be payable on May 1 of each year, and shall be considered delinquent if not paid in full by June 1 of each year, on which date the unpaid amount of such dues shall become a lien on the Undivided Interest of each delinquent Owner in accordance with the provisions of 5.4 hereof. (Rev.1/07)

- a. **Notice.** The amount of the annual dues for each year, when determined and established by the Board of Directors, shall be announced to the Members by notice mailed to each Member at such Member's address shown on the records of the Resort Association; and a copy of such notice shall be recorded in the Clerk's office, as provided in the Declaration.
- b. **Amount of dues.** The amount of annual dues shall be determined by the Board of Directors, as provided in this Section 5.2. In the event no such subsequent determination is made and no announcement is made and notice recorded as of May 1 of any year, the amount of dues as of May 1 for the ensuing twelve months shall be deemed to be the same as the amount of dues set forth in the immediately preceding announcement and recorded notice.

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SECTION 5.3 ASSESSMENTS. In the event the Board of Directors makes any special assessment, the amount and purpose thereof and the date for payment shall be announced to the Members by notice sent to each Member at such Member's address as it appears on the records of the corporation; and a copy of such notice shall be recorded in the Clerk's Office, as provided in the Declaration.

SECTION 5.4 LIEN FOR UNPAID DUES, ASSESSMENTS AND FINES.

- a. General Provisions.** The Resort Association shall have a lien on each Undivided Interest or Membership for unpaid annual dues and special assessments levied against the Member of the Resort Association, as well as for all late charges, interest, and collection costs with respect to such unpaid annual dues and special assessments. Such lien shall be perfected in the manner, and have the effect, set forth in the Declaration.
- b. Release of Lien.** When payment or satisfaction is made of the obligations secured by such lien, such lien shall be released in accordance with the provisions Section 55-66.3 of the Code of Virginia (1950), as amended, including any successor provision thereto. For purposes thereof, any Officer of the Resort Association or its managing agent shall be deemed to be the duly authorized agent to the lien creditor.
- c. Certificate of Payment.** Any Member shall be entitled, upon request, to a recordable statement setting forth the amount of unpaid annual dues, special assessments or fines currently levied against the Undivided Interest or Membership and for all late charges, collection costs and the date from which and the rate at which interest has or will accrue on such unpaid annual dues, special assessments or fines. Such request shall be in writing, and shall be delivered to the principal office of the Resort Association. Such statement, when signed on behalf of the Resort Association, shall be conclusive and binding of the Resort Association as to the payment or nonpayment of such amounts with respect to the Undivided Interest or Membership of such Owner of Member.

SECTION 5.5 INTEREST AND COSTS CHARGED ON UNPAID DUES AND ASSESSMENTS. In the event that any annual dues, special assessments or fines made by the Board of Directors is not paid within thirty (30) days after the due date, at the discretion of the Board of Directors, the Owner of the Undivided Interest of the Member with respect to such unpaid annual dues, special assessments or fines shall be obligated to pay interest, at the rate of eighteen percent (18%) per annum and accrued at 1.5% monthly on the 1st day of each month thereafter, on the amount of said unpaid annual dues, special assessments or fines from the date due until paid in full, together with all late charges, interest, and collection costs, including without limitation, attorney fees, incurred by the Association in collecting said unpaid annual dues, special assessments or fines. The term "collection costs" as used in these Bylaws and duly adopted Rules and Regulation shall include, but shall not be limited to, all attorney fees, expenses, costs and charges. (Rev. 1/07)

ARTICLE VI

MEETING OF MEMBERS

SECTION 6.1 ANNUAL MEETINGS OF MEMBERS. The first annual meeting of the Members of the Resort Association, for the purpose of electing directors for the ensuing year and for the transaction of such other business as may properly come before the meeting, shall be held at the principal office of the Resort Association on Tuesday, April 27, 1982. Thereafter, an annual meeting of the Members of the Resort Association, for the purpose of electing directors for the ensuing year and for the transaction of such other business as may properly come before the meeting, shall be held at the principal office of the Resort Association on the third Tuesday in April of each year or on such date in April as may reasonably be selected by the Board of Directors.

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SECTION 6.2 SPECIAL MEETINGS. A special meeting of the Members may be called at any time by the President of the Board of Directors, or by Members having one-twentieth of the votes entitled to be cast at such meeting, or at the direction of any of the forgoing, the secretary. (Rev. 1/07)

SECTION 6.3 PLACE OF MEETINGS. Each annual and special meeting of Members shall be held at the principal office of the Resort Association, or at such other place in Virginia, as the Board of Directors may designate in the notice of the meeting. (Rev. 1/07)

SECTION 6.4 NOTICE OF MEETINGS. Written notice of each annual meeting shall be given by or at the direction of the president; and written notice of each special meeting of the Members shall be given by or at the direction of the officer or other persons calling the meeting. The notice shall state the place; day and hour of the meeting and such other information as may be required by law and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise required herein or by law, a copy of the notice shall be delivered personally or mailed to each Member entitled to vote at such meeting not less than ten (10) days nor more than sixty (60) days before such meeting. If mailed, such notice shall become effective five (5) days after it is deposited in the U.S. mail, as evidenced by the postmark, postage prepaid, addressed to the Member at his or her address as it appears on the records of the Resort Association, unless he or she shall have filed with the Secretary of the Resort Association a written request that notices be mailed to some other address, in which case it shall be mailed to the address designated in such request. In lieu of delivering notice as above, the Resort Association may publish such notice at least one a week for two (2) successive calendar weeks in a newspaper published in the city or county in which the registered office of the Resort Association is located, or having a general circulation therein, the first publication to be not more than sixty (60) days, and the second not less than ten (10) days, before the date of the meeting.

Notice of a Members' meeting to act on an amendment of the articles of incorporation, a plan of merger or consolidation, a proposed sale of assets pursuant to Section 13.1-900 of the Code of Virginia of 1950, as amended, or the dissolution of the Resort Association shall be delivered or published in the manner provided above not less than twenty-five (25) nor more than sixty (60) days before the date of the meeting.

SECTION 6.5 WAIVER OF NOTICE. Any notice required herein or by law may be waived before or after the time of the event for which notice was required to be given, and such waiver shall be the equivalent of the giving of notice. Such waiver shall be in writing, signed by the Member entitled to the notice, and delivered to the secretary of the Resort Association for inclusion in the minutes or filing with the corporate records. A Member who attends a meeting (i) shall be deemed to have had timely and proper notice of the meeting, (ii) waives objection to lack of notice or defective notice of the meeting unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the Member and (iii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented. No notice of the reconvening of any adjourned or recessed meeting need be given.

SECTION 6.6 QUORUM. Except as otherwise provided by law or in the articles of incorporation, at any meeting of the Members of the Resort Association, the presence in person or by proxy of the holders of 5% of the votes entitled to be cast at such meeting shall constitute a quorum for the transaction of business.(Rev. 1/07)

SECTION 6.7 VOTING. The Owners shall have such voting rights as are provided in the articles of incorporation and in accordance with the provisions of Article III of these Bylaws.

SECTION 6.8 METHOD OF VOTING. Any Owner entitled to vote may vote either in person or by proxy executed in writing by the Owner or his or her duly authorized attorney-in-fact and delivered to the secretary of the meeting or other designated person. No proxy shall be valid after eleven (11) months from its date unless a longer period is expressly provided in the proxy. At any time before the votes to which a proxy relates are voted, the proxy may be revoked by a written notice to the secretary of the

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meeting, unless the proxy conspicuously states that it is irrevocable and the appointment is coupled with an interest.

SECTION 6.9 LIST OF VOTING MEMBERS. The Resort Association shall keep at its registered office or principal office a record of the names and addresses of its Owners entitled to vote. Such record may be inspected by any Owner, or by an Owner's agent or attorney, for any proper purpose at any reasonable time. The record of the names of Owners entitled to vote shall be prima fascia evidence of the right to vote. At no time shall such records be made available for reproduction or removal from the principal office.

ARTICLE VII

DIRECTORS

SECTION 7.1 GENERAL POWERS. The business and affairs of the Resort Association shall be managed by the Board of Directors, and all corporate powers shall be exercised by the Board of Directors, except as otherwise expressly required by the Declaration, these Bylaws, by the articles of incorporation or by law.

SECTION 7.2 NUMBER, TERM OF OFFICE AND QUALIFICATIONS. Until changed by an amendment to these Bylaws, the number of directors shall be five. There shall be two groups of directors, Group 1 consisting of three (3) directors, Group 2 consisting of two (2) directors. Each Group 1 director shall hold office for a term of two years following the first annual shareholders' meeting at which the Group 1 directors are elected, and until the director's successor is elected, or until the director's death, resignation or removal. Each Group 2 director shall hold office for a term of one year following the first annual shareholder's meeting at which the Group 2 directors are elected, and until the director's successor is elected, or until the director's death, resignation or removal. At each annual shareholder's meeting held thereafter, directors from Group 1 or Group 2, as the case may be, shall be elected for terms of two (2) years to succeed those whose terms expire, such that the director's terms of office are staggered. No decrease in the number of directors by amendment to these Bylaws shall have the effect of shortening the term of any incumbent director. Directors need to be Members in good standing of the Resort Association (except in the case of the current director who will be grandfathered) and have no felony convictions. (Rev. 1/07)

- a. Group 1 Directors shall consist of one Director who shall serve as Treasurer and two additional Director seats and be able to comply with Section 7.19. (Rev. 1/07)
- b. Qualifications for Treasurer shall include but not limited to a minimum of 10 years bookkeeping or accounting experience or an associate's degree in financial management and 5 years' experience in business management. The sitting Treasurer will remain until a qualified individual is elected. If no qualified successor is elected one will appointed by the Board of Directors. (Rev. 1/07)

SECTION 7.3 DUTIES OF PRESIDENT, TREASURER AND SECRETARY:

- a. **President:** The president shall be the chief executive and administrative officer of the Resort Association and shall perform all duties incident to the office of President and shall have such other powers and authorities as are elsewhere conferred upon him or her in these Bylaws.(Rev. 1/07)
- b. **Treasurer:** The Treasurer shall: (Rev. 1/07)
 - 1. Have custody of and responsibility for all funds and securities of the Resort Association;

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2. Receive and receipt for money paid to the Resort Association from any source whatsoever;
3. Deposit all such moneys in the name of the Resort Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws;
4. Against proper vouchers, cause such funds to be disbursed by check or draft on the authorized depositories of the Resort Association signed in such manner as shall be determined in accordance with the provisions of these Bylaws;
5. Regularly enter or cause to be entered in books to be kept by him or her or under his or her direction full and adequate accounts of all moneys received and paid to the account or accounts of the Resort Association;
6. In general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors or any duly authorized committee of directors and have such other powers and authorities as are elsewhere conferred in these Bylaws.

c. Secretary. The Secretary shall: (Rev. 1/07)

1. Act as Secretary of all meetings of the Members and of the Board of Directors;
2. Keep or provide for the keeping of all minutes of all meetings in the proper book or books to be maintained for that purpose;
3. See that all notices required to be given by the Resort Association are duly given and served;
4. Be custodian of the seal of the Resort Association and affix the seal or cause it to be affixed to all documents the execution of which on behalf of the Resort Association under its corporate seal is duly authorized in accordance with the provisions of these Bylaws;
5. Have charge of the books, records and papers of the Resort Association relating to its organization and management as a corporation;
6. Be responsible for the proper filing of any reports or statements required by law or otherwise as relates to the corporation;
7. In general, perform all the duties incident to the Office of Secretary and such other duties as from time to time may be assigned by the Board of Directors or any duly authorized committee of directors and shall have such other powers and authorities as are elsewhere conferred upon him or her in these Bylaws.

SECTION 7.4 ELECTION OF DIRECTORS. At any meeting of Owners for the election of directors, a quorum being present, every Owner entitled to vote on the election of directors shall have the right to vote in person or by proxy for as many persons as there are directors to be elected at that time and for whose election he or she has a right to vote. The persons receiving the greatest number of votes shall be the directors even though not receiving a majority. If the election of directors shall not be held on the

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day designated for the annual meeting of Members or at any adjournment of such meeting, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter. (Rev. 1/07)

- SECTION 7.5 ANNUAL MEETING OF THE BOARD OF DIRECTORS.** The Board of Directors may meet, without notice of such meeting, for the purpose of organization, the election of officers and the transaction of other business, on the same day as, at the place at which, and as soon as practicable after, each annual election of directors is held. Such annual meeting may be held at any other time or place specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or in a waiver of notice thereof.
- SECTION 7.6 REGULAR MEETINGS.** Regular meetings of the Board of Directors may be held whenever called by the President, any two or more directors or, at the direction of any of the foregoing, the Secretary. (Rev.1/07)
- SECTION 7.7 SPECIAL MEETINGS.** Special meetings of the Board of Directors shall be held whenever called by the President, any two or more directors or, at the direction of any of the foregoing, the Secretary. (Rev.1/07)
- SECTION 7.8 PLACE OF MEETING, ETC.** The Board of Directors may hold its meetings at such place or places in Virginia as the Board of Directors may from time to time by resolution designate, or (unless contrary to resolution of the Board of Directors) at such place as shall be designated in the respective notices or waivers of notice thereof. In the absence of any designation, the meeting shall be held at the principal office of the Resort Association. (Rev 1/07)
- SECTION 7.9 PARTICIPATION BY CONFERENCE TELEPHONE.** Unless otherwise restricted by the articles of incorporation, Members of the Board of Directors or any committee designated thereby may participate in any meeting of the Board of Directors or committee by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting. When such meeting is conducted by means of a conference telephone or similar communications equipment, a written record shall be made of the action taken at such meeting.
- SECTION 7.10 NOTICE OF MEETINGS.** Unless required by resolution of the Board of Directors, notice of any regular meeting of the Board need not be given. Notice of each special meeting shall be mailed to each director at his or her residence or usual place of business at least three days before the date on which the meeting is to be held; or such notice shall be sent by telegraph, cable, or wireless, or be delivered to him or her personally or by telephone not later than twenty-four hours before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting, but need not state the business to be transacted or the purposes of the meeting. No notice of the reconvening of any adjourned or recessed meeting need be given.
- SECTION 7.11 WAIVERS OF NOTICE OF MEETINGS.** Any notice required herein or by law may be waived before or after the time of the event for which notice was required to be given, and such waiver shall be the equivalent of the giving of notice. Such waiver shall be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records. A director's attendance at or participation in a meeting waives any required notice to him of the meeting unless the director at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.
- SECTION 7.12 QUORUM AND MANNER OF ACTING.** A majority (3) of the number of directors at the time fixed by these Bylaws shall constitute a quorum for the transaction of business. A proxy may be used only if a quorum is present. The act of a majority of the directors present and in person or by proxy, at any meeting at which a quorum is present, shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time until a quorum is present. The directors shall act only as a Board and the individual directors shall have no power as such. (Rev. 1/07)

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- SECTION 7.13 ACTION BY DIRECTORS WITHOUT A MEETING.** Any action required to be taken at a meeting of the Board of Directors or that may be taken at a meeting of the Board of Directors or of a committee established by the Board of Directors may be taken without a meeting if a consent in writing setting forth the action shall be signed either before or after such action by all of the Directors or all of the Members of the committee, as the case may be, and included in the minutes or filed with the corporate records reflecting the action taken. Such consent shall have the same force and effect as a unanimous vote. Action taken under this section becomes effective when the last director signs the consent, unless the consent specifies a different effective date, in which event the action taken is effective as of the date specified therein provided the consent states the date of the execution by each director.
- SECTION 7.14 RESIGNATIONS.** Any director of the Resort Association may resign at any time by delivering written notice to the Board of Directors, the President or the Secretary of the Resort Association. Such resignation shall take effect when the notice is delivered unless the notice specifies a later date in which event it shall take effect at the time therein specified. (Rev.1/07)
- SECTION 7.15 REMOVAL OF DIRECTORS.** Any director may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the Owners entitled to elect a successor, given in person or by proxy at a special meeting of the Owners called expressly for that purpose, at which a quorum shall be present. The meeting notice shall state that the purpose, or one of the purposes, of the meeting is removal of the director. (Rev. 1/07)
- SECTION 7.16 VACANCIES.** Any vacancy in the Board of Directors, caused by death, resignation, removal, disqualification, or any other cause, may be filled for the unexpired term by the majority vote of the remaining directors then in office, though less than a quorum, at any regular or special meeting of the Board of Directors.
- a. Disqualification:** A Director shall be disqualified to serve and the Director's position shall be vacant immediately upon any one of the following:
1. Missing three (3) consecutive Board of Directors meetings or four out of six meetings.
 2. Discovery or failure to meet guidelines as set forth in the By-Laws.
 3. Convicted of a felony while sitting on the Board.
- SECTION 7.17 COMPENSATION.** A board seat is a non-compensated position with the exception of such additional amounts for service upon committees, as the Board of Directors shall from time to time determine, together with reimbursement for the reasonable expenses incurred by him or her in connection with the performance of his or her duties. Nothing in the Section shall preclude any director from serving the Resort Association or its subsidiaries in any other capacity and receiving proper compensation therefor. (Rev. 1/07)
- SECTION 7.18 OFFICERS.** The officers of the Resort Association shall be elected annually by the Board of Directors of the Resort Association. Such officers shall be President, a Treasurer, and a Secretary and may be such other officers as, in the discretion of the Board of Directors, are deemed to be in the best interest of the Resort Association. (Rev. 1/07)
- SECTION 7.19 CERTAIN OFFICERS TO GIVE BONDS.** Every officer, agent or employee of the Resort Association who may receive, handle or disburse money for the Resort Association's account or who may have any of the Resort Association's money or property in his or her custody or who may be responsible for the safety or preservation of same may be required, in the discretion of the Board of Directors, to give bond, in such sum and with such sureties and in such form as shall be satisfactory to the Board of Directors for the faithful performance of the duties of such office and for restoration to the Resort Association in the event of death, resignation, or removal from office of such officer, agent or employee, of all books, papers, vouchers, moneys and other property of whatsoever kind in his or her custody belonging to the Resort Association. (Rev.1/97)

ARTICLE VIII

CONDUCT OF BUSINESS

- SECTION 8.1 EXECUTION OF CONTRACTS AND OTHER DOCUMENTS.** Except as otherwise required by law, the articles of incorporation, these Bylaws, or the Declaration, the Board of Directors or any duly authorized committee or directors may authorize any officer or officers, agent or agents, in the name and on behalf of the Resort Association to enter into any contract or execute any deed or other instrument, and any such authority may be general or confined to specific instances. Whenever the Board of Directors or duly authorized committee of directors, in authorizing or directing the execution of any contract, deed or other instrument, shall fail to specify the officer or officers or other agent or agents who are to execute the same, such contract, deed, or other instrument shall be executed on behalf of the Resort Association by the President or any Vice President and, where necessary or appropriate, the corporate seal shall be affixed thereto and attested by the Secretary or any Assistant Secretary.
- SECTION 8.2 LOANS.** Any Board of Director, or agent or agents of the Resort Association authorized by the Board of Directors or any duly authorized committee of directors may effect loans or advances at any time for the Resort Association, in the ordinary course of the Resort Association's business, from any bank, trust company or other institution, or from any firm, corporation, or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other certificates or evidence of indebtedness of the Resort Association, and when authorized so to do may pledge, hypothecate or transfer any property of the Resort Association as security for any such loans or advances. Such authority conferred by the Board of Directors or any duly authorized committee of directors may be general or confined to specific instances.
- SECTION 8.3 CHECKS, DRAFTS, ETC.** All checks, drafts and other orders for payment of money out of the funds of the Resort Association shall be signed on behalf of the Resort Association in such manner as shall from time to time be determined by resolution of the Board of Directors or any duly authorized committee of directors.
- SECTION 8.4 DEPOSITS.** The funds of the Resort Association not otherwise employed shall be deposited from time to time to the order of the Resort Association in such banks, trust companies or other depositories as the Board of Directors or any duly authorized committee of directors may from time to time select, or as may be selected by an officer or officers, or agent or agents of the Resort Association to whom such power may from time to time be delegated by the Board of Directors or any duly authorized committee of directors.
- SECTION 8.5 RESERVES ACCOUNTS.** Reserve accounts held by Indian Cove Resort maybe used by majority vote of the Board of Directors to be borrowed from in lieu of a bank loan under the following conditions:
1. Amount borrowed from the Reserve account may not be more than half the balance in the reserve account.
 2. An interest rate of five percent (5%) APR will be applied during the time the loan is open until the borrowed amount is paid in full.
 3. Loan must be paid in full by no later than June 15 of the current calendar year.
- (Rev. 3/17)

ARTICLE XI

MISCELLANEOUS

- SECTION 9.1 SEAL.** The corporate seal of the Resort Association shall contain the name of the Resort Association, the year of its creation, and the words "Corporate Seal, Virginia," and shall be in such form as may be approved by the Board of Directors. (Rev.1/07)

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- SECTION 9.2 FISCAL YEAR.** The books of account of the Resort Association shall be kept and annual financial statements shall be prepared on the basis of a calendar or fiscal year to be determined by resolution of the Board of Directors. (Rev.1/07)
- SECTION 9.3 BOOKS AND RECORDS.** The Resort Association shall maintain correct and complete books and records of account and shall keep minutes of the proceedings of its Members, the Board of Directors and any designated committees thereof. (Rev. 1/07)
- SECTION 9.4 INSPECTION OF BOOKS AND RECORDS.** Every Member of the Resort Association, upon written demand stating the purpose thereof, shall have the right to examine, in person or by agent or attorney, at any reasonable time or times, for any proper purpose, the Resort Association's books and records of accounts, minutes, minutes of the proceedings of its Members, and to make copies or extracts therefrom.
(Rev.1/07)
- SECTION 9.5 FINANCIAL STATEMENTS.** Upon the written request of any Member, the Resort Association shall mail to such Member its most recent published financial statement showing in reasonable detail its assets and liabilities and the results of its operations. The Resort Association may require a fee to cover its costs. (Rev. 1/07)
- SECTION 9.6 CAMPGROUND EXCHANGE PROGRAMS.** The Board of Directors of the Resort Association may from time to time approve campground exchange programs for Indian Cove Resort. Persons authorized to participate in such exchange programs may be authorized by the Resort Association to enjoy the use and occupancy rights of Owners in the Camping Lots and the Common Area, provided the Owners receive substantially equivalent reciprocal privileges with such participating campgrounds.
(Rev.1/07)
- SECTION 9.7 MAINTENANCE OF CAMPING LOTS.** The Board of Directors of the Resort Association (or an organization designated by the Resort Association) may have access to each Camping Lot for the purpose of performing necessary maintenance associated with such Camping Lot. Where the need for such maintenance (other than ordinary wear and tear) is attributable to an Owner or other person using such Camping Lot, such Owner or other person shall be liable for the costs of such maintenance. (Rev. 1/07)

ARTICLE X

INDEMNIFICATION

SECTION 10.1 INDEMNIFICATION. (Rev. 1/07)

- a. Every person, and his or her heirs, executors and administrators, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or arbitative or investigative, or was or is the subject of any claim, and whether or not by or in the right of the Resort Association, by reason of his or her being or having been a director or officer of the Resort Association, or by reason of his or her serving or having served at the request of the Resort Association as a director, officer, employee or agent of another corporation, partnership, joint venture, committee, trust or other enterprise, or at the request of the Resort Association in any capacity that under Federal law regulating employee benefit plans would or might constitute him or her a fiduciary with respect to any such plan, whether or not such plan is or was for employees of the Resort Association, shall be indemnified by the Resort Association against expenses (including attorneys' fees), judgments, fines, penalties, awards, costs, amounts paid in settlement and liabilities of all kinds, actually and

BYLAWS OF INDIAN COVE RESORT ASSOCIATIONS

reasonably incurred by him or her in connection with, or resulting from, indemnification shall be made against his or her gross negligence or willful misconduct.

- b. Any indemnification under the preceding paragraph (unless ordered by a court) shall be made by the Resort Association only as authorized in the specific case upon a determination that indemnification of such person is proper in the circumstances because he or she had met the applicable standard of conduct set forth in such paragraph. Such determination may be made either by the Board of Directors of the corporation by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the Members.
- c. Expenses (including attorneys' fees) incurred by or in respect of any such person in connection with any such action, suit, or proceeding, whether civil, criminal, administrative, arbitrative or investigative, may be paid by the Resort Association in advance of the final disposition thereof upon receipt of an undertaking by, or on behalf of, such person to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Resort Association.
- d. The Board of Directors of the Resort Association shall have the power, generally and in specific cases, to indemnify its other employees and agents to the same extent as provided herein with respect to its directors and officers. (Rev.1/97)
- e. The provisions contained herein are in addition to, and not in substitution for, any other right to indemnity to which any person who is or may be indemnified by or pursuant to these Bylaws may otherwise be entitled, and to the powers otherwise accorded by law to the Resort Association to indemnify any such person and to purchase and maintain insurance on behalf of any such person against any liability asserted against or incurred by him or her in any capacity referred to in these Bylaws or arising out of his or her status as serving or having served in any such capacity (whether or not the Resort Association would have the power to indemnify against such liability).
- f. If any provision of these Bylaws shall be adjudicated invalid or unenforceable, such adjudication shall not be deemed to invalidate or otherwise affect any other provision hereof or any power of indemnity which the Resort Association may have under the laws of the Commonwealth of Virginia.

ARTICLE XI

AMENDMENTS

Section 11.1 By the Directors. The Board of Directors by a unanimous vote thereof shall have the power to make, alter, amend, or repeal the Bylaws of the Resort Association at any regular or special meeting thereof. A proxy vote will not be allowed for purposes of altering, amending or repealing the Bylaws of the Resort Association. (Rev. 1/07)

ARTICLE XII

ENFORCEMENT

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- SECTION 12.1 COMPLIANCE.** Each Owner will comply with the provisions of the Declaration, By-Laws, and Rules and Regulations of the Indian Cove Resort, as the same maybe amended from time to time. Failure to comply with these documents will be grounds for appropriate action taken by management or the Board of Directors.
- SECTION 12.2 ENFORCEMENT.** The Board of Directors and management acting on behalf of Indian Cove Resort may take such action as it deems advisable to enforce the provisions of the Declaration, By-Laws, and Rules and Regulations.
- SECTION 12.3 RIGHT OF REMOVAL.** In addition to the rules and regulations set forth in this Article, any violation of the Governing Documents shall give to the Board or management, on behalf of Indian Cove Resort, the right to take appropriate peaceful action to abate, remove, modify or replace, at the expense of the offending Owner/Member, any person, structure, thing or condition that may exist thereon contrary to the interest of Indian Cove Resort and meaning of the Governing Documents. If the offense occurs in any easement, walkway, common areas or the like, the costs shall be at the expense of the Owner/Member or other persons responsible for the offending condition. Additionally any costs incurred by Indian Cove or the Board in connection with such enforcement which remains unpaid thirty (30) days after given notice of the costs to the Owner/Member, shall be subject to penalties and interest at the prevailing judgment rate from the date of the advance by Indian Cove or the Board through the date of payment in full by the Owner/Member, and shall be treated as a default assessment.
- SECTION 12.4 NO LIABILITY.** No Member of the Board of Directors or management of the Indian Cove Resort will be liable to any Owner for the failure to enforce any of the Governing Documents at any time.
- SECTION 12.5 NO WAIVER.** The failure of the Board of Directors or management to enforce the Governing Documents will not be deemed a waiver of the right to do so for any subsequent violation or of the right to enforce any other part of the Governing Documents at any future time.