

## BY-LAWS

### OF

### RODANTHE SUNSET RESORT UNIT OWNERS' ASSOCIATION, INC.

#### ARTICLE I

#### NAME, PURPOSE, APPLICABILITY AND ASSENT

1.1 Name. The name of this non-profit, non-stock membership corporation shall be Rodanthe Sunset Resort Unit Owners' Association, Inc., hereinafter referred to as "the Association."

1.2 Purpose. The purpose of the Association shall be to administer and manage the affairs of Rodanthe Sunset Resort Condominiums, a Condominium established pursuant to the terms of that Declaration of Condominium for Rodanthe Sunset Resort Condominiums filed in the Public Registry of Dare County, North Carolina as amended, supplemented or restated (the "Declaration") in accordance with the Unit Ownership Act, the Non-profit Corporation Act of North Carolina, this Declaration, and the Articles of Incorporation and these By-Laws, as may be amended from time to time. The Association shall not engage in any activities other than those directly related to administration of the condominium property and the Unit Owners' responsibility with respect to the same.

1.3 Applicability. These By-Laws are applicable to the property known as Rodanthe Sunset Resort Condominiums, as such property is described in **Exhibit "A" and "B"** attached to the Declaration.

1.4 Assent. These By-Laws are binding on all present and future Owners, tenants, guests, residents, or other persons occupying or using the facilities of such condominium property. The mere acquisition, rental, or act of occupancy of any part of the condominium property will signify that these By-Laws are accepted, ratified, and will be complied with. The provisions of the Declaration, regarding the governing and administration of the Association are incorporated herein by reference. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these Bylaws (and any Rules of Conduct made pursuant hereto) and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

## **ARTICLE II DEFINITIONS**

2.1 Definitions The definition of words contained in the Declaration, Article I shall apply to those words and terms as used in these By-Laws.

## **ARTICLE III OFFICES, REGISTERED AGENT, FISCAL YEAR, POWERS**

3.1 Principal Office, Registered Office. The principal office of the Association shall be located at Rodanthe Sunset Resort Condominiums, N.C. State Road 12, Rodanthe, Hatteras Island, North Carolina or such other places as the Board of Directors may designate from time to time.

3.2 Registered Agent. The initial Registered Agent for the Unit Owners for matters incident to the condominium property and the initial Registered Agent for the Association is \_\_\_\_\_ . The individual serving as Registered Agent may be removed from office and replaced at any time by vote of the Board of Directors of the Association.

3.3 Fiscal Year. The fiscal year of the Association shall be January 1 through December 31.

3.4 Powers. The Association shall have all the common law and statutory powers of non-profit corporations. The Association shall also have all the powers necessary to implement the purposes of the Association and to provide for the general health and welfare of its membership.

## **ARTICLE IV UNIT OWNERS' ASSOCIATION**

4.1 Composition. The Unit Owners Association shall consist of all Unit owners (which shall include all Residential Unit Owners and Commercial Unit Owners as those terms are defined in the Declaration. For all purposes the Unit Owners Association shall act merely as an agent for the Unit Owners as a group. The Unit Owners Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association by the Condominium Act and the Declaration. Except as to those matters which the Condominium Act specifically requires to be performed by the vote of the Association, the foregoing responsibilities shall be performed by the Board of Directors or Managing Agent, if any.

4.2 Election of Board of Directors. Upon recordation of the Declaration, the members of the Board of Directors shall be designated by Declarant, who shall serve until the first annual meeting of the Association. Not later than the termination of the Declarant Control Period, the Members shall elect a Board of Directors of at least three members of which at least a majority of whom shall be Unit Owners who shall take office upon election. Not later than sixty days of conveyance of twenty-five percent (25%) of the Units (including the Units which may be created pursuant to special rights) to Members other than Declarant, at least one Member and not less than twenty-five percent of the Members of the Board shall be elected by Members other than the Declarant. Not later than sixty (60) days after the conveyance of fifty percent (50%) of the Units (including Units which may be created pursuant to Special Declarant Rights) to Members other than Declarant, not less than thirty-three percent (33%) of the Members of the Board shall be elected by Members other than Declarant. Declarant control shall terminate no later than the earlier of; (a) One hundred and twenty days after conveyance of seventy-five percent (75%) of the Units (including the Units which may be created pursuant to Special Declarant Rights) to Members other than the Declarant; (b) two years after Declarant has ceased to offer Units for sale in the ordinary course of business; or (c) two years after any development rights to add new Units was last exercised. The Association shall publish the names and addresses of all Directors within 30 days of their election to office.

4.3 Annual Meetings. The annual meetings of the Association shall be held on a weekday (other than a legal holiday) at least thirty (30) days before the beginning of each fiscal year, or such other date as may be deemed advisable by the Board of Directors.

4.4 Place of Meetings. Meetings of the Association shall be held at Rodanthe Sunset Resort Condominiums or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

4.5 Special Meetings. The President shall call a special meeting of the Association: (a) if so directed by resolution of the Board of Directors; (b) after the termination of the Declarant Control Period, upon a petition signed and presented to the Secretary by Members of not less than twenty-five percent (25%) of the aggregate General Common Element Interests; or (c) while the Declarant is a Unit Owner, upon request of the Declarant. Such resolution, petition or request must; (i) specify the time and place at which the meeting is to be held, (ii) either specify a date on which the meeting is to be held which will permit the Secretary to comply with Section 4.6 of these Bylaws, or else specify that the Secretary shall designate the date of the meeting, (iii) specify the purposes for which the meeting is to be held, and (iv) be delivered to the Secretary. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

4.6 Notice of Meetings. The Secretary shall notify each Member of any meeting of the Unit Owners at least fifteen (10) but not more than thirty (50) days prior to such meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this section and Section 19.1 of the Bylaws shall be considered service of notice.

4.7 Quorum and Adjournment of Meetings. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Members representing thirty percent (30%) or more of the total General Common Element Interest shall constitute a quorum at all meetings of the Association. If at any meeting of the Association a quorum is not present, Members of a majority of the Common Element Interests who are present at such meeting in person or by proxy may: (a) recess the meeting to such date, time and place as such Unit Owners may agree not more than forty-eight (48) hours after the time the original meeting was called, whereupon the Secretary shall make reasonable efforts to notify Unit Owners of such date time and place.

4.8 Order of Business. The order of business at all meetings of the Association shall be as follows: (a) roll call (proof of quorum); (b) proof of notice of meeting; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) report of Board of Directors; (f) reports of committees; (g) appointment of inspectors of election (when so required); (h) election of directors (when so required); (i) unfinished business; and (j) new business; provided, however, that balloting for election of directors may commence at any time.

4.9 Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Condominium Act or the Condominium Instruments.

4.10 Voting. All voting called for under these Bylaws, the Declaration or the Condominium Instruments shall occur in accordance with the following terms:

(a) The total votes in the Association are allocated to Units by the Declaration. The votes allocated to a Unit may be cast by the Unit Owner of that Unit. Where the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote for such Unit shall be the person named in the certificate executed by all of the owners of such a Unit and filed with the Secretary (if such a certificate is on file) or, in the absence of such named person from the meeting the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present. If more than one person owning such Unit is present, the votes allocated to that Unit may be cast only in accordance with the vote of a majority in interest of the multiple owners. A fiduciary shall be entitled to cast a vote for a Unit owned in a

fiduciary capacity. If a Member is not a natural person, the vote for such Unit may be cast by (i) any natural person having authority to execute deeds on behalf of such person, pursuant to N.C.G.S. Chapter 47, or (ii) any other natural person designated by power of attorney for the natural person referred to herein. Neither of the natural persons referred to in subsections (i) and (ii) above shall, either alone or in conjunction with one (1) or more persons, be a Member. The natural person referred to in subsection (i) above shall be named in a certificate signed by an authorized Officer of the non-natural person, and the natural person referred to in subsection (ii) above shall be named in a power of attorney signed by the natural person. The aforesaid certificate and power of attorney shall be valid until revoked by a subsequent certificate or power of attorney similarly executed and filed.

(b) Except where a greater number is required by the Condominium Act or by the Condominium Instruments, a Majority Vote is required to adopt decisions at any meeting of the Association. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Units are entitled.

(c) No Member may vote at any meeting of the Association or be elected to or serve on the Board of Directors if payment by such Member of any financial obligation to the Association is delinquent more than sixty (60) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

**4.11 Proxies.** A vote may be cast in person or by proxy duly executed by a Member. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of that Unit's votes by the other owners of the Unit through a duly executed proxy. A Member may not revoke a proxy given pursuant to this section except by written notice of revocation delivered to the person presiding over the meeting of the Association. A proxy is void if it is not dated and terminates one year after its date, unless it specifies a shorter term. A proxy may be instructed (directing the proxy how to vote) or uninstructed (leaving how to vote to the proxy's discretion). Such proxies may be granted by any Member in favor of only another Member, an officer, the Declarant or such Members' mortgagee, attorney, or additionally in the case of a non-resident Unit Owner, the Unit owners Lessee, attorney or rental agent. Only instructed proxies may be granted by any Unit Owner to the managing agent. No person other than the Declarant, the managing agent or an officer shall cast votes as a proxy for more than one Unit not owned by such person.

**4.12 Powers of the Association.** All powers residing in the Association are expressly reserved to the Association, shall be delegated to and exercised by the Board of Directors with respect to the Association and the Common Elements and/or any managing agent(s) employed by the Board of Directors.

4.13 Action by Written Consent. Action required or permitted by this Section to be taken at a meeting of Members may be taken without a meeting if the action is taken by all Members entitled to vote on the action. The action shall be evidenced by one or more written consents describing the action taken, signed before or after such action by all Members entitled to vote thereon, and delivered to the Association for inclusion in the minutes or filing with the corporate records. The record date for determining Members entitled to take action without a meeting is the date the first Member signs the consent. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

## **ARTICLE V BOARD OF DIRECTORS**

5.1 Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Condominium Act or the Condominium Instruments required to be exercised and done by the Association. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall on behalf of the Association:

- (a) Prepare and adopt an annual budget, in which there shall be expressed the assessments of each Unit Owner for the General Common Expenses, applicable Limited Common Expenses, or for the Common Expenses of the entire Condominium.
- (b) Make assessments against Unit Owners to defray the costs and expenses of the Condominium General Common Elements, applicable Limited Common Expenses or the Common Elements, and establish the means and methods of collecting such assessments from the Unit Owners and establish the period of installment payment of the annual assessment for General Common Expenses, and other Common Expenses, if any.
- (c) Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Condominium, including the General Common Elements and other Common Elements, if any.
- (d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the General Common Elements and other Common Elements, if applicable, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

- (e) Collect the General Common Expense assessments, and other Common Expense assessments, if applicable, against the Unit Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Property.
- (f) Adopt and amend any rules and regulations; provided, however, that such rules and regulations shall not be in conflict with the Condominium Act or the Condominium Instruments, and it being intended that such rules and regulations so adopted shall be only such rules and regulations which uniformly apply to all Unit owners of the Building without regard for which Section the Unit is located in.
- (g) Open bank accounts on behalf of the Association and designate the signatures thereon.
- (h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the General Common Elements, and other Common Elements, if applicable, in accordance with these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- (i) Enforce by legal means the provisions of the Declaration, these Bylaws and the rules and regulations, act on behalf of the Members with respect to all matters arising out of any eminent domain proceeding, and notify the Members of and litigation against the Association involving a claim in excess of ten percent of the amount of the annual budget.
- (j) Obtain and carry insurance against casualties and liabilities, as provided in these Bylaws, pay the premiums therefore, adjust and settle and claims thereunder.
- (k) Keep books with accounts affecting the General Common Elements, and other Common Elements, if applicable, the administration of the General Common Elements, and other Common Elements, if applicable, specifying the expenses of maintenance and repair of such Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries therein shall be available for examination by the Members, their attorneys, accountants, Mortgagees and authorized agents during normal business hours on business days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Members. The Board, on behalf of the Association, shall also keep current copies of the Declaration, Bylaws and Condominium Rules.
- (l) Pay the cost of all authorized services rendered to the Association and not billed to a Unit Owner of individual Units.

(m) Notify a Mortgagee of any default hereunder by the Unit Owner of the Unit subject to such Mortgage, in the event such default continues for a period exceeding sixty days.

(n) Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the General Common Elements and other Common Elements, if applicable; provided, however, that (except during the Declarant Control Period) a vote in writing by Members of Units to which more than fifty one percent (51%) of the votes in the Association appertain shall be required to borrow any sum in excess of ten percent (10%) of the total annual assessment for General Common Expenses for that fiscal year.

(o) Acquire, hold and dispose of Condominium Units and mortgage the same without the prior approval of the Association if such expenditures and hypothecation are included in the budget adopted by the Association.

(p) Do such other things and acts not inconsistent with the Condominium Act or the Condominium Instruments which the Board of Directors may be authorized to do by a resolution of the Association.

5.2 Managing Agent. The Declarant shall be the managing agent until such time as Declarant shall resign as managing agent, and Declarant may delegate its duties as managing agent by hiring or contracting with a third party managing agent. The management fee charged by Declarant (or its employee or contractor) shall be at a rate equal to the average rate customarily charged by managing agents on the Outer Banks of North Carolina. Upon resignation of Declarant as managing agent, the Board of Directors may contract with or employ any person, firm or corporation, including an affiliate or the Declarant, to serve as managing agent for the Project and the Association, at a compensation established by the Board of Directors.

5.3 Number and Term of Office. The Board of Directors shall serve as follows:

(a) Designated Members: During the period of Declarant control, the Declarant shall be entitled to designate directors not elected pursuant to Section 4.5 of these Bylaws. The initial Board of Directors shall consist of three (3) persons. The term of each designee shall be fixed by the Declarant. At the special meeting required by Section 4.2, a number of the directors designated by the Declarant shall resign if necessary so that a majority of the requisite percentage of directors shall have been elected in accordance with Section 4.2. The persons elected shall serve for the remainder of the terms of office of the resigning directors who such persons replace, or if no resignation was required, for the terms of office necessary so that



the term of office for generally one-third of the directors shall expire at each of the first three annual meetings after their election. The directors receiving the greatest vote shall be elected for the longest available terms. At the expiration of the term of office of all directors designated by the Declarant or elected at the special meeting held pursuant to Section 4.2, all successor directors shall be elected to serve for a term of three years.

(b) Elected Members: At the first annual meeting of the Association following the termination of the Declarant Control Period, and all annual meetings thereafter, the Board of Directors shall be elected by the Members. If there are fewer than twenty (20) total Units in the Condominium, then the Board shall consist of three (3) persons. If there are twenty (20) total Units or greater in the Condominium, the Board shall consist of five (5) persons. At the initial election of the Board of Directors by the Members, the two Members receiving the highest number of votes shall sit for three (3) year terms. The Members receiving the next highest number of votes, however many are required to fill out the Board, shall sit for two (2) year terms. For all elections thereafter, successor Director terms shall be three (3) years. No person shall be elected as a director or continue to serve as a director if he or she is more than sixty (60) days delinquent in meeting bona fide financial obligations to the Association or if a lien has been filed against such person's Unit.

5.4 Organization Meeting. The first meeting of the Board of Directors following the annual meeting of the Association shall be held within thirty (30) days thereafter at such time and place as shall be determined by a majority of the directors at the meeting at which such Board of Directors shall have been elected. No notice shall be necessary to the newly-elected directors in order legally to constitute such meeting if a majority of the entire Board of Directors is present at the meeting.

5.5 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but such meetings shall be held at least once every three months during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, electronic mail, or telephone, at least three business days prior to the day named for such meeting.

5.6 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days notice to each director, given personally or by mail, telegraph or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two directors.

5.6.1 Participation. The Board of Directors may permit any or all Directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any

means of communication by which all Directors participating may simultaneously hear each other during the meeting. Any Director participating in a meeting by this means is deemed to be present in person at the meeting.

5.7 Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director, in person or by telephone communication, at any meeting of the Board of Directors shall constitute a waiver of notice by such director of the time, place and purpose of such a meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

5.8 Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn or recess the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A director who participates in a meeting by means of telephone communication shall be deemed present at the meeting for all purposes.

5.9 Compensation. No director shall receive any compensation from the Condominium for acting in such capacity.

5.10 Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Condominium Acts or the Condominium Instruments. At regular intervals, the Board shall provide Unit owners an opportunity to attend a portion of a meeting of the Board and to speak to the Board about their issues and concerns, however, at such times the Board may place reasonable restrictions on the number of persons who speak on each side of any issue, and may place time restrictions on persons who speak.

5.11 Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting of all of the directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

5.12 Liability of the Board of Directors, Officers, Unit Owners and Association.

(a) The officers and directors shall not be liable to the Association or any Member for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the officers and directors from and against all contractual liability to others arising out of contracts made by the Officers or the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Act or the Condominium Instruments, except to the extent that such liability is satisfied by directors and officers liability insurance. Officers and directors shall have no personal liability with respect to any contract made by them on behalf of the Association. The liability of any Member arising out of any contract made by the Officers or Board of Directors, or out of the indemnification of the Officers or directors, or the damages as a result of injuries arising in connection with the Common Elements solely by virtue of ownership of a Common Element Interest therein or for liabilities incurred by the Association, shall be limited to the total liability multiplied by such Member's Common Element Interest. Every agreement made by the Officers, the Board of Directors or a managing agent on behalf of the Association shall, if obtainable, provide that the Officers, the directors or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Unit Owners). The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person is or was an Officer or director or the Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such person in connection with, such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Condominium.

(b) The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a General Common Expense, or for injury or damage to person or property caused by the elements or by the Unit Owner of any Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Property. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Property or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any governmental authority.

5.13 Common or Interested Directors. Each director shall exercise such directors powers duties in good faith and with a view to the interests of the Condominium. No

contract or other transaction between the Association and any of its directors, or between the Association and any corporation, firm or association (*including the Declarant*) in which any of the directors of the Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such director is present at the meeting of the Board or Directors or any committee thereof which authorizes or approves the contract or transaction, or because such directors vote is counted for such purpose, if any of the conditions specified in any of the following subsections exists:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to at least a majority of the Unit Owners, and the Unit Owners approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed. Any common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at the meeting to authorize any contract or transaction with like force and effect as if such director of the Association were not an officer or director of such other corporation, firm or association or not so interested.

5.14 Legal Proceedings. The Board of Directors shall have the exclusive right to initiate any form of legal proceedings as it deems necessary and appropriate related to the use, operation, or maintenance of the Property, subject to the following requirements. "Legal Proceedings" as used in this Section shall mean any form of action or suit, including, but not limited to: demands for performance of Declarant obligations hereunder, under the Condominium Instruments, or contained in any statute, regulation or ordinance or at common law; and shall include the assertion, through litigation, arbitration, or otherwise, or the defense of any claims or actions related to the Property. Notwithstanding the foregoing the filing and enforcement of liens, the initiation of legal action for routine General Common Expense, Limited Common Expenses, Commercial Expenses, Residential Expenses, assessment collection matters or legal actions required to enforce provisions of the Declaration. Bylaws or rules and regulations with respect to the Property shall not be deemed Legal Proceedings for purposes of this Section and such actions shall not be subject to the requirements of this Section.

5.15 Removal or Restoration of Directors. Except with respect to directors designated by the Declarant, at any regular or special meeting of the Association, duly

called, any one (1) or more of the Directors may be removed with or without cause by a Majority Vote of the Members and a successor may then and there be elected by the Members to fill the vacancy. Any director whose removal has been proposed by the Members shall be given at least seven (7) days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A director may resign at any time and, except for a director designated by the Declarant. A director who was a Member at the time of election shall be deemed to have resigned upon disposition of such director's Unit, or if not in attendance at three (3) consecutive regular meetings of the Board, unless the minutes reflect the Board's consent to such absence.

5.16 Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the Members shall be filled by a vote of the remaining members of the Board of Directors. The aforementioned elections shall take place and the results thereof shall be binding even though the members present at such meeting may constitute less than a quorum. Each person elected in accordance with this Section shall be a member of the Board of Directors for the remainder of the term of the predecessor member, and until a successor shall be elected. The Declarant shall designate the successor to any director previously designated by the Declarant who resigns or is removed.

## **ARTICLE VI OFFICERS**

6.1 Designation and Duties. The principal Officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and such other Officers as in its judgment may be necessary. The Secretary or Treasurer may also serve as Vice President.

6.2 Election of Officers. The officers of the Association shall be elected initially by the Board of Directors at the organization meeting of each new board, and annually thereafter at the Annual meeting of each such board, and those elected shall hold office at the pleasure of the Board of Directors. The Association shall publish the names and addresses of all officers within 30 days of their election to office.

6.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

6.4 President. The President shall: (i) be the chief executive officer of the Unit Owners Association; (ii) preside at all meetings of the Association and of the Board of Directors; (iii) have general and active direction of the business of the Association subject to

the control of the Board; (iv) see that all orders and resolutions of the Board are carried into effect; and (v) appoint committees from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Association.

6.5 Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If the Vice President is unable to act, the Board of Directors shall appoint some other director to act in the place of such Vice President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

6.6 Secretary. The Secretary shall: (i) keep the minutes of all meetings of the Unit Owners Association and of the Board of Directors; (ii) have charge of such books and papers as the Board may direct; (iii) give or cause to be given all notices required to be given by the Association; (iv) maintain a register setting forth the places to which all notices to Unit Owners and Mortgagees hereunder shall be delivered; and (v), in general, perform all the duties incident to the office of secretary.

6.7 Treasurer. The Treasurer shall: (i) be responsible for Association funds and securities; (ii) keep full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepare all required financial data; (iv) deposit all monies and other valuable effects in the name of the Board of Directors, the Association or the managing agent, in such depositories as may from time to time be designated by the Board; and (v), in general, perform all the duties incident to the office of treasurer.

6.8 Execution of Documents. Unless authorized by a resolution of the Board of Directors: (i) all agreements, contracts, deeds, leases, checks and other instruments of the Unit Owners Association for expenditures or obligations in excess of \$500 and all checks drawn upon reserve accounts, shall be executed by any two persons designated by the Board of Directors; and (ii) all such instruments for expenditures or obligations not in excess of \$500 may be executed by any one person designated by the Board of Directors.

6.9 Compensation of Officers. No Officer shall receive any compensation from the Association for acting as such Officer, unless otherwise agreed by the Members representing a majority of the Common Element Interests and which compensation is reasonable and customary. Officers may be reimbursed for expenses incurred in carrying out the functions of their office if later approved by the Board of Directors.

## **ARTICLE VII OPERATION AND MANAGEMENT OF THE CONDOMINIUM**

7.1 Determination of General Common Expenses and Assessments Against Unit Owners.

(a) Fiscal Year. The fiscal year of the Unit Owners Association shall be the calendar year beginning July 1 and ending June 30 unless otherwise determined by the Board of Directors.

(b) Preparation and Approval of Budgets and Special Assessment:

(i) At least sixty days before the beginning of each fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the General Common Elements, the Limited Common Elements, and those parts of the Condominium as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be General Common Expenses or Limited Common Expenses not and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the General Common Elements and other parts of the Condominium for which the Association is responsible pursuant to the Condominium Instruments.

(ii) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. Within thirty (30) days after adoption of any proposed budget, a summary notice shall be sent to each Member which sets forth the amount of the common expenses and any special assessment payable by each Unit Owner and shall set a date for a meeting of the Members to consider ratification of the budget, said meeting to be not less than fourteen nor more than thirty days after mailing of the summary. At said meeting (which shall not require that a quorum be present) the budget shall be considered as ratified unless a majority of all the Members reject the proposed budget. In the event the proposed budget is rejected, the budget last ratified shall be continued until such time as the Members ratify a subsequent budget proposed by the Board of Directors. The budget as ratified shall constitute the basis for determining each Member's assessment for the Common Expenses of the Condominium.

(iii) Whenever, in the judgment of the Board of Directors, the Common Elements shall require additions, alterations, renovations or improvements costing in excess of five percent (5 %) of the Association's annual budget during the preceding fiscal year or involving the use of Replacement Reserves, the making of such additions, alterations, renovations or improvements shall require a Majority Vote of the Unit Owners, and the Board of Directors shall assess the cost thereof as a

Common Expense which shall be a Special Assessment. Any additions, alterations, renovations or improvements costing five percent (5%) of the Association's annual budget or less during the preceding fiscal year, and not involving the use of Replacement Reserves, may be made by the Board of Directors without approval of the Members and the cost thereof shall constitute a Common Expense.

(c) Assessment and Payment of Common Expenses: The total amount of the estimated funds required from assessments for the operation and maintenance of the Common Elements and any other property for which the Association is responsible pursuant to the Condominium Instruments set forth in the budget adopted by the Board of Directors shall be assessed against each Unit Owner in proportion to such Unit Owner's respective Common Element interest. The assessment for General Common Expenses shall be a lien against each Unit Owner's Unit. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Unit Owner shall be obligated to pay to the Board of Directors or the managing agent (as determined by the Board) one-twelfth (1/12) of such assessment. Within ninety (90) days after the end of each fiscal year, the Board of Directors shall supply to all Unit Owners, and to each Mortgagee requesting the same, an itemized accounting of the General Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be understood by all the parties to be held by the Association as agent for the Unit Owners and shall, at the discretion of the Unit Owners, be placed in reserve accounts or distributed to the Unit Owners. Any net shortage shall be assessed promptly against the Unit Owners in accordance with their Common Element Interests and shall be payable either in full with payment of the next monthly assessment due; or in not more than six (6) equal monthly installments, as the Board of Directors may determine.

(d) Reserves: The Board of Directors shall build up and maintain reasonable reserves for working capital, operations (including losses due to insurance deductibles), contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except for the normal maintenance expenses shown in the annual operating budget, all expenses for repair and replacement of physical assets maintained by the Association shall be charged first against such reserves. Unless otherwise determined by a vote of two-thirds of the directors, the amount held as reserves shall not substantially exceed the amount reasonably required to assure the Association's ability to replace components as they reach the end of their useful lives. If regular annual maintenance extends the useful life of components so that reserves are excessive, the reserves shall be adjusted by



reallocation to other budget items or by distribution to the Unit Owners. If the reserves are inadequate for any reason, including non-payment of any Unit Owners assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners according to their respective Common Element Interests, and which may be payable in a lump sum or in installments as the Board may determine. The Board of Directors shall serve notice of any further assessment on Unit Owners by a statement in writing giving the amount and reasons therefore, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than seven days after the delivery of such notice of further assessment. All Unit Owners so notified shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date.

(e) Initial Budget and Initial Capital Payment:

(i) Upon taking office, the first Board of Directors elected or designated pursuant to these Bylaws shall determine the budget, as defined in this section, for the period commencing thirty days after such election and ending on the last day of the fiscal year in which such election occurs. Assessments shall be levied and become a lien against the Unit Owners during such period.

(ii) The Declarant, as the agent of the Board of Directors, may collect from each initial purchaser at the time of settlement an "initial capital payment" equivalent to twice the estimated monthly assessment for General Common Expenses for such purchasers Unit. The Declarant will deliver the funds so collected to the Board of Directors to provide the necessary working capital for the Association. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start up costs, and for such other purposes as the Board of Directors may determine.

(f) Effect of Failure to Prepare or Adopt Budget: The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owners obligation to pay the allocable share of the General Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due more than ten days after such new annual or adjusted budget is adopted.

(g) Accounts: All sums collected by the Board of Directors with respect to assessments against the Unit Owners or from any other source may be commingled

into a single fund. All interest income on all accounts shall be income to and for the use of the Association.

7.2 Restrictions on Use of Units and Common Elements, Rules and Regulations.

(a) Restrictions: Each Unit and Common Elements shall be occupied and used in accord with those Restrictions on use set forth in Article VI of the Declaration.

(b) Rules and Regulations: Each Unit and the Common Elements shall be occupied and used in compliance with the Rules and Regulations which may be promulgated and changed by the Board of Directors. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner. Changes to the Rules and Regulations shall be conspicuously posted prior to the time when the same shall become effective and copies thereof shall be furnished to each Unit Owner upon request. Notwithstanding the above, any changes or additions to any of the rules and regulations which respect the leasing of Units shall require unanimous consent of all of the Unit Owners.

7.3 Right of Access. By acceptance of any deed of conveyance, each Unit Owner thereby grants a right of access to the Unit, as provided by the Condominium Act and the Declaration, to the Board of Directors or the managing agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities, including without limitation making inspections, correcting any condition originating in the Unit or in a Common Element to which access is obtained through the Unit threatening another Unit or the Common Elements, performing installations, alterations or repairs to the mechanical electrical systems or the Common Elements in the Unit or elsewhere on the Property or to correct any condition which violated any Mortgage; provided, however, that request for entry is made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether or not the Unit Owner is present. Each Unit Owner shall provide a working copy of all Unit keys to the Association. The Association shall maintain a depository box containing a copy of all keys and shall make said box accessible to the managing agent, all members of the Board of Directors and emergency personnel.

**ARTICLE VIII  
RESIDENTIAL EXECUTIVE COMMITTEE**

8.1 Powers and Duties. The Residential Executive Committee (the "REC") shall be a standing advisory committee to the Board of Directors consisting of at least three (3) members appointed by the Declarant during the Declarant Control Period and appointed by the Board of Directors thereafter. Following the Declarant Control Period, members of the REC shall be Unit Owners in the Residential Building(s) and must be in good financial

standing with the Association. The duties of the REC are as delegated by the Board of Directors, and include but are not limited to the following:

- (a) Prepare a preliminary annual budget for the Residential Building(s), including a proposed annual assessment to Residential Unit Owners for the Residential Expenses;
- (b) Advise the Board of Directors regarding matters impacting the Residential Building(s);
- (c) Serve as the Architectural Review Committee for matters affecting the Residential Building(s).

## **ARTICLE IX COMMERCIAL EXECUTIVE COMMITTEE**

9.1 Powers and Duties. The Commercial Executive Committee (the “CEC”) shall be a standing advisory committee to the Board of Directors consisting of at least three (3) members appointed by the Declarant during the Declarant Control Period and appointed by the Board of Directors thereafter. Following the Declarant Control Period, members of the CEC shall be Unit Owners in the Commercial Building and must be in good financial standing with the Association. The duties of the REC are as delegated by the Board of Directors, and include but are not limited to the following:

- (a) Prepare a preliminary annual budget for the Commercial Building, including a proposed annual assessment to Commercial Unit Owners for the Commercial Expenses;
- (b) Advise the Board of Directors regarding matters impacting the Commercial Building(s);
- (c) Serve as the Architectural Review Committee for matters affecting the Commercial Building.

## **ARTICLE X COMPLIANCE AND DEFAULT**

10.1 Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Condominium Act, Condominium Instruments and Rules and Regulations, as any of the same may be amended from time to time. In addition to the remedies provided in Section 47C-3-116 of the Condominium Act, a default by a Unit Owner shall entitle the

Association, acting through its Board of Directors or through the managing agent, to the relief described in this Article XVI.

(a) Additional Liability: Each Unit Owner shall be liable to the Association or to any affected Unit Owner for the expense of all maintenance, repair or replacement rendered necessary by such Unit Owners act, neglect or carelessness or the act, neglect or carelessness of any member of such Unit Owners family or such Unit Owners guests, invitees, tenants, agents or employees, but only to the extent that such expense is not covered by an insurance policy carried by the Board of Directors; provided, however, at the discretion of the Board of Directors, the Board may assess such expense directly against the Member rather than, or in addition to, making an insurance claim. Such liability shall include any increased casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation. Any costs, including without limitation legal fees, incurred as a result of a failure to comply with the Condominium Act, the Condominium Instruments and the Rules and Regulations by any Unit Owner (or any member of such Unit Owners family or such Unit Owners guests, invitees, tenants, agents or employees) may be assessed against such Unit Owners Unit.

(b) No waiver of rights: The failure of the Association, the Board of Directors or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Instruments or the Condominium Act shall not constitute a waiver of the right of the Association, the Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors or any Unit Owner pursuant to any term, provision, covenant or condition of the Condominium Instruments or the Condominium Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Condominium Instruments or the Condominium Act or otherwise at law or in equity.

(c) Interest: In the event of a default by any Unit Owner in paying any sum assessed against a Unit which continues for a period in excess of fifteen (15) days, interest at a rate of eighteen percent (18%) per annum or such greater rate not to exceed the maximum permissible interest rate allowed by law may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the date due until paid.

(d) Abating and Enjoining Violations by Unit Owners: The violation of any of the Rules and Regulations adopted by the Board of Directors, the breach of any

provision of the Condominium Instruments or the Condominium Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (i) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; (ii) to use self-help to remove or cure any violation of the Condominium Instruments or any rules and regulations on the Common Elements or in any Unit; or (iii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, continuance of any breach.

(e) Legal Proceedings: Failure to comply with any of the terms of the Condominium Instruments and the Rules and Regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, the managing agent or, if appropriate, by any aggrieved Unit Owner and shall not constitute an election of remedies.

(f) Charges: In accordance with Section 47C-3-102 (11) of the Condominium Act, the Board of Directors may levy reasonable charges against Unit Owners for violations of the Condominium Act, the Condominium Instruments or the Rules and Regulations by the Unit Owner, the members of such Unit Owners family, or such Unit Owners guests, invitees, tenants, agents or employees. Each day a violation continues, after notice is given to the Unit Owner, is a separate violation. If a Unit Owner requests in writing a hearing before the charge is imposed, the imposition of the charge shall be suspended until the hearing is held. Charges are special assessments and shall be collectible as such.

(g) Recovery of Costs. If legal assistance is obtained to enforce any of the provisions of the Condominium Instruments, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Condominium Instruments or the restraint of violations of the Condominium Instruments, the prevailing party will be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees as may be incurred and allowed by N.C.G.S. §47C-3-116(e).

(h) Mediation. Each Owner, by accepting a deed to a Unit as an Owner, agrees that any Owner or the Association may require that any Dispute among the Owners or before the Board of Directors or before the Association be submitted to non-binding mediation, prior to pursuing any other remedies. The fees and

expenses of mediation shall be paid by the participants and shall not be a Common Expense unless all Owners so agree in writing.

(i) Arbitration. Each Owner, by accepting a deed to a Unit, agrees that any Owner or Association may require that any Dispute between the Owners or before the Board of Directors or before the Association be submitted to binding arbitration pursuant to the Uniform Arbitration Act set forth in N.C.G.S. §1-567.1 et seq. as the same shall be amended from time to time. The fees and expenses of arbitration shall be paid as set forth in the award and shall not be a Common Expense unless all Owners so agree in writing.

#### 10.2 Lien of Assessments.

(a) Lien. Assessments of each Unit Owner for Common Expenses or any special assessment, or any other sum duly levied, made pursuant to these Bylaws, are hereby declared to be a lien levied against the Unit of such Unit Owner, which lien shall, with respect to annual assessments, be effective as of the earlier of: 1) the first day of each fiscal year of the Condominium and, as to special assessments and other sums duly levied, on the first day of the next month which begins more than ten (10) days after delivery to the Unit Owner of notice of such special assessment or levy, or 2) the first day allowed under applicable law. The Board of Directors or the managing agent, if any, may file or record such other or further notice of any such lien, or such other or further document, as may be required to confirm the establishment and priority of such lien.

(b) Acceleration. In any case where an assessment against a Unit Owner is payable in installments, upon a default by such Unit Owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors or the managing agent, if any, and the entire remaining balance declared immediately due and payable, upon written notice being given to the defaulting Unit Owner.

(c) Enforcement. The lien for assessments may be enforced and foreclosed in any way permitted by applicable law. Such action may be taken in the name of the Board of Directors or the managing agent, if any, acting on behalf of the Association. During the pendency of such suit, the Unit Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale.

(d) Remedies Cumulative. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien securing

the same, and a foreclosure maybe maintained notwithstanding the pendency of any suit to recover a money judgment.

## **ARTICLE XI AMENDMENTS**

11.1 Amendments. Amendments to these Bylaws shall be proposed and adopted in the following manner. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of 51% of the Members. The notice of the meeting shall set forth the proposed amendment or a summary of the changes to be effected thereby. Notwithstanding that the original Bylaws of the Association are recorded in the Dare County Registry, amendments hereto are not required to be recorded in the public registry in order to be effective; however, any amendment hereto which requires the consent of Declarant shall only be effective upon execution of a written amendment executed by Declarant, and any amendment requiring the consent of the Unit Owners shall only be effective upon execution of a written amendment by the percentage of members required above.

## **ARTICLE XII NON PROFIT CORPORATION**

12.1 Nonprofit Status. The Association is not organized for profit. No Member of the Association, member of the Board of Directors, or person from whom the Association may receive any property or fiends will receive or will be lawfully entitled to receive any pecuniary profit from the operations of the Association, and in no event will any part of the fiends or assets of the Association be paid as a dividend or be distributed to, or inure to the benefit of, any member of the Board of Directors.

## **ARTICLE XIII GENERAL PROVISIONS**

13.1 Notices. All notices, demands, bills, and statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if hand-delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner, or sent by electronic means, including electronic mail over the Internet, to an electronic mailing address designated in writing by the Unit Owner. Notice of default or lien must be sent by registered or certified United States mail, return receipt requested, postage prepaid. If a Unit is owned by more than one person, each such person who so designated an address in writing to the Secretary shall be entitled to receive all notices hereunder.

13.2 Conflicts of Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles will control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

13.3 Use of Electronic Mail or Meeting. Any action or vote which may be taken or entered by a Director, Unit Owner or Member in person, or by proxy, other than a vote on amendment of the Declaration, may, in the alternative, be accomplished by the use of electronic mail in accordance with rules promulgated by the Board of Directors establishing reasonable safeguards as to the genuineness of the action and notice to the other participants. The action shall be evidenced by a written record describing the action taken, signed before or after such action by all members utilizing said method, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

13.4 Dissolution. The Association may be dissolved only after termination of the Condominium in accordance with the terms of the Declaration and the creation and execution of a plan of dissolution which is in full compliance with all terms of the North Carolina Nonprofit Corporation Act. Any Association assets remaining after satisfying all Association debts will be distributed in accordance with the plan of dissolution and in a manner complying with the North Carolina Nonprofit Corporation Act.

13.5 Construction. These Condominium Instruments are intended to comply with all of the applicable provisions of the Condominium Act and shall be so interpreted and applied. The failure to comply strictly with the time periods required by the Condominium Instruments, unless also required by the Condominium Act, shall not invalidate any action of the Board of Directors or the Association in the absence of a written objection by the Declarant or a Unit Owner within ten (10) days after the failure to comply. Should any of the terms of these Bylaws conflict with any of the provisions of the Act, the provisions of the Act shall control unless the Act permits these Bylaws to override the Act, in which event these Bylaws shall control. In case of any conflict between the provisions of these Bylaws and the Declaration, the Declaration shall control. If any term, provision, limitation, paragraph or clause of these Bylaws or application thereof to any person or circumstance is judicially held to be invalid, such determination shall not affect the enforceability, validity or affect the remainder of these Bylaws, or the application thereof to any other person or circumstance.

13.6 Unit Owners and Members. Unit Owners refers to the holders of the real estate title to the individual Condominium Units. Members refers to the Unit Owners acting in their capacity as Members of the Association. Wherever the context requires, reference to the Unit Owners in one capacity shall be understood to also refer so them in their other capacity.



**CERTIFICATION**

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Rodanthe Sunset Resort Unit Owners' Association, Inc., a North Carolina corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by the Board of Directors of the Association, effective as of June 1, 2016.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BY: \_\_\_\_\_  
Secretary

NORTH CAROLINA  
DARE COUNTY

I, \_\_\_\_\_ a Notary Public of the aforesaid County and State do hereby certify that \_\_\_\_\_, Secretary of Rodanthe Sunset Resort Unit Owners' Association, Inc., a North Carolina corporation, appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

(SEAL)