

BY-LAWS OF
MARINA TOWNES OWNERS ASSOCIATION, INC.
(A NON-PROFIT CORPORATION)

ARTICLE I

GENERAL

Section 1 TITLE TO LOTS Title to Lots may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary

Section 2 APPLICABILITY OF BY-LAWS The provisions of these By-Laws are applicable to MARINA TOWNES PROPERTY OWNERS ASSOCIATION and MARINA TOWNES COMMON AREA. The term "MARINA TOWNES" and its COMMON AREA as used herein shall include the land, all other improvements thereon and all easements as recorded in Craven County Register of Deeds book 3031, page 0335 and shown in Craven County GIS, Parcel ID: 2-029-H-00A.

Section 3 APPLICATION All present and future owners, mortgagees, lessees and occupants of Lots and their employees and any other persons who may use the facilities in any manner are subject to these By-Laws, the Declaration and Rules and Regulations pertaining to the use and operation of the Lots The act of occupancy of a lot shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith

Section 4 OFFICE The Office of the Owner's Association and the Board of Directors shall be located at

ARTICLE II

OWNERS' EASEMENTS OF ENJOYMENT

Section 1 Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following Provisions:

- A. The right of the Association to suspend the voting rights and right to use of the facilities by an owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations.
- B. The right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area.

ARTICLE III

BOARD OF DIRECTORS

Section 1 MANAGEMENT AND CONTROL Management of the affairs of the Association shall be the right and responsibility of its Board of Directors in accordance with the

Declaration and By-Laws.

Section 2 POWERS AND DUTIES The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Common Area except such powers and duties as by law or by these By-Laws may not be delegated to the Board of Directors by the unit owners. The powers and duties to be exercised by the Board of Directors shall include, but not be limited to, the following:

- A. Operation, care, upkeep and maintenance of the common elements and drainage system, to include roads,
- B. Determination of the amounts required for operation, maintenance and other affairs of the Common Area,
- C. Collection of the assessments from the unit owners,
- D. Employment and dismissal of personnel as necessary for efficient maintenance and operation, including a property manager,
- E. Adoption and amendment of rules and regulations covering the details of the operation and use of the Common Area,
- F. Opening of bank accounts on behalf of the Owners Association and designating the signatures required therefor,
- G. Obtaining casualty and liability insurance for Directors and Officers and Common Area pursuant to the provisions of Article VI, Section 9 hereof, and
- H. Making repairs, additions and improvements to, or alterations of Common Area in accordance with the provisions of these By-Laws.

Section 3 ELECTION AND TERM OF OFFICE Subject to the provisions of Section 1 herein, the Board of Directors shall be elected at the first annual meeting of the lot owners. At the first election, one board member shall be elected for a one year term, one board member will be elected for a two year term and the third board member shall be elected for a three year term with the result subsequent elections will replace one board member annually. At the expiration of the initial term of office of each respective member of the Board of Directors, his successor shall be elected to serve for a term of three (3) years. The Board of Directors shall consist of up to three individuals, all of whom must be lot owners of record in MARINA TOWNES

Section 4 VACANCIES, Vacancies in the Board of Directors caused by any reason shall be filled by appointment by the remaining members of the Board of Directors. Each person so appointed shall be a member of the Board of Directors for the remainder of the term of the member so removed.

Section 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 members of the Board of Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail or e-mail, at least thirty (30) business days prior to the day named for such meeting.

Section 6 SPECIAL MEETINGS Special meetings of the Board of Directors may be

called by any Board member on thirty (30) business days' notice to each member of the Board of Directors given by mail or e-mail, which notice shall state the time, place and purpose of the meeting.

Section 7 QUORUM OF BOARD OF DIRECTORS At all meetings of the Board of Directors, at least a majority of members thereof must attend to constitute a quorum for the transaction of business and the votes of all of the members present at the meeting shall constitute the decision of the Board of Directors.

Section 8 COMPENSATION No member of the Board of Directors shall receive any compensation from the Association for acting as such.

Section 9 DEADLOCK Any deadlock in voting shall be resolved by a proxy submitted by the 3d Director.

ARTICLE IV

MEETINGS OF UNIT OWNERS

Section 1 PLACE All meetings of the unit owners shall be held at the office of the Association or such other place as may be stated in the notice.

Section 2 ANNUAL MEETINGS.

a. The annual meeting of the unit owners shall be held at a site designated in the Notice of the meeting, in each year commencing within the year that the Association has assumed control of the Association.

b. All annual meetings shall be held at such hour as is determined by the Board of Directors.

c. At the annual meeting, the members shall elect the new members of the Board of Directors, approve and ratify the budget, approve the minutes of the previous annual meeting and transact such other business as may properly come before the meeting.

Section 3 SPECIAL MEETINGS It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by unit owners entitled to a total of at least fifty percent (50%) of the votes. The notice of any special meeting shall state the time, place and purpose of the meeting. The business transacted at all special meetings shall be confined to the objects stated in the notice unless the Board of Directors unanimously consents to the transaction of business not stated in the notice.

Section 4 NOTICE OF MEETINGS The Secretary shall mail to each unit owner of record a notice of each annual or special meeting of the unit owners at least thirty (30) days but not more than 60 (60) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held.

Section 5 ADJOURNMENT OF MEETINGS If any meeting of unit owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not more than thirty (30) days from the time the original meeting was called

Section 6 ORDER OF BUSINESS The order of business at the annual meeting of the Unit Owners shall be as follows:

- a. Roll call,
- b. Proof of notice of meeting,
- c. Reading and approval of minutes of preceding meeting,
- d. Reports of Officers,
- e. Report of Board Directors,
- f. Reports of Committees,
- g. Election of members of the Board of Directors (when so required),
- h. Approval and ratification of the budget,
- i. New business,
- j. Adjournment

Robert's Rules of Order shall be applicable to the conduct of all meetings of unit owners

Section 7 VOTING The owner or owners of each Unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of unit owners The designation of any such proxy shall be made in writing to the Secretary and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating Each unit shall be entitled to cast one (1) vote at all meetings of the unit owners A fiduciary shall be the voting member with respect to any Lot owned in a fiduciary capacity

Section 8 MAJORITY OF LOT OWNERS As used in this By-Laws the term "majority of lot owners" shall mean having 2/3 (66%) of the total authorized votes (Article IV, section 7) of all lot owners present in person or by proxy and voting at any meeting which met quorum requirement (Article IV, section 9).

Section 9. QUORUM Except as otherwise provided in these By-Laws, the presence in person or by proxy of Lot Owners having eighty percent (80%) of the total authorized votes of all lot owners shall constitute a quorum at all meetings of the lot owners.

Section 10 MINORITY VOTE The vote of a majority of lot owners at a meeting at which a quorum shall be present shall be binding upon all lot owners for all purposes.

Section 11 DEADLOCK Any deadlock in voting shall be resolved by the proxy submitted by the 3d Director.

ARTICLE V

OFFICERS

Section 1 DESIGNATION The principal officers of the Owners Association shall be the President and Secretary and 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 President and Secretary and Treasurer must be members of the Board of Directors.

Section 2 ELECTION OF OFFICERS Officers shall be appointed annually by the Board of Directors.

Section 3 REMOVAL OF OFFICERS Upon the affirmative vote of a majority of the

members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors called for such purpose. Removal of the Officer does not change his position as a member of the Board.

Section 4 PRESIDENT The President shall be the chief executive officer of the Owners Association. He shall preside at all meetings of the lot owners and Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the Nonprofit Corporation Act of the State of North Carolina including, but not limited to, the power to appoint from among the lot owners any committee which he decides is appropriate to assist in the conduct of the affairs of the Owners Association

Section 5 SECRETARY The Secretary shall keep the minutes of all meetings of the lot owners and of the Board of Directors, he shall have charge of such books and papers as the Board of Managers/Directors may direct, and he shall, in general, perform all the duties incident to the office of Secretary of a corporation organized under the Nonprofit Corporation Act of the State of North Carolina

Section 6 TREASURER. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements He shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, and he shall, in general, perform all the duties incident to the office of Treasurer of a corporation organized under the Nonprofit Corporation Act of the State of North Carolina

Section 7 AGREEMENTS, CONTRACTS, DEEDS, CHECKS, ETC All agreements, contracts, deeds, leases and other instruments of the Association shall be executed by the President and Secretary of the Association and checks are to be executed by such person or persons as may be designated by the Board of Directors including the Management Company.

Section 8 COMPENSATION OF OFFICERS No officer shall receive any compensation from the Association for acting as such.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1 DETERMINATION OF COMMON EXPENSES AND COMMON CHARGES The Board of Directors shall have from time to time and at least annually, prepare a budget for the Association, determine the amount of the assessment required to meet the common expenses of the Association and allocate and assess such common charges against the unit owners prorated according to number of units owned. The common expenses shall include, among other things, all insurance premiums and expenses related thereto required to be maintained by the Board of Directors pursuant to the provisions of Section 9 of this Article VI The common expenses may also include such amounts as the Board of Directors may deem proper for the operation, maintenance, repair or replacement of the Common Area and drainage system including, without limitation, an amount for working capital of the Association, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year, and any other expenses designated by the Board of Directors as common expenses. Each lot owner shall be liable for and pay the annual assessment to the MARINA TOWNES Owners Association, Inc.

Section 2 LIABILITY FOR COMMON CHARGES All lot owners shall be obligated to pay the assessments determined by the Board of Directors pursuant to the provisions of Section 1

above at such times and in such manner as may be directed by the Board.

A. SELLER'S LIABILITY No lot owner shall be liable for the payment of any part of the common charges assessed against his lot from and after the date of closing of the sale, transfer, or other conveyance by him of such lot

B. PURCHASER'S LIABILITY A purchaser of a lot shall be liable for payment of any common charges assessed against such unit prior to its acquisition by him, except that a mortgagee or a purchaser of a lot at a foreclosure sale shall not be liable for and shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale

Section 3 COLLECTION OF ASSESSMENTS The Board of Directors shall at least annually take prompt action to collect from a lot owner any assessment for common charges which remains unpaid by him for more than sixty (60) days from the due date for its payment.

Section 4 DEFAULT IN PAYMENT OF COMMON CHARGES In the event of default by any lot owner in paying to the Board of Directors the assessed common charges, such lot owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Directors in any proceeding brought to collect such unpaid common charges. The Board of Directors shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action brought against such lot owner, or by foreclosure of the lien on such lot which is hereby granted by all lot owners in favor of the Association for the enforcement of payment of delinquent assessments.

Section 5 STATEMENT OF COMMON CHARGES The Board of Directors shall promptly provide any lot owner who makes a request in writing with a written statement of his unpaid common charges.

Section 6 MAINTENANCE AND REPAIR

A. INDIVIDUAL LOTS All maintenance of and repairs to each individual lot, structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common elements contained therein not necessitated by the negligence, misuse, or neglect of the owner of such lot) shall be made by the owner of such lot with the exception of the association shall maintain all back and side yard landscaping.

Exteriors will be maintained to POA standards by individual owners, with pressure washing to be accomplished at least once every two years and painting of the trim on the decks , at least once every 5 years. Additional maintenance to the units will occur promptly as needed, so as not to decrease the overall standard of the community.

B COMMON AREA All maintenance, repairs and replacements to the common area (unless necessitated by the negligence or misuse by a lot owner) shall be made by the Board of Directors and be charged to all the lot owners as a common expense, to include the stormwater management system.

Section 7 INSURANCE The Board of Directors on behalf of the Association, at its common expense, shall at all times keep its Directors and Officers and THE COMMON AREAS of MARINA TOWNES insured against public liability , upon such terms and for such amounts as may be reasonably necessary from time to time. Any insurance shall be payable to the Board .

Section 8 DAMAGE Except as hereinafter provided, damage to a lot and/or a unit shall be promptly repaired and restored by the lot owner using the proceeds of any insurance for that purpose.

Section 9 USE OF LOTS In order to provide for continual occupancy of the lots and for the protection of their values the use of the lots shall be subject to the following limitations:

- A. The lots shall be used for residential purposes only.
- B. Rental of units secured by lease agreement is permitted.

Section 10 ADDITIONS, ALTERATIONS, OR IMPROVEMENTS BY BOARD OF DIRECTORS. Whenever in the judgment of the Board of Directors the common elements shall require additions, alterations, or improvements costing in excess of \$1,000.00 and the making of such additions, alterations, or improvements shall have been approved by the lot owners, the Board of Managers shall proceed with such additions, alterations, or improvements and shall assess all lot owners for the cost thereof as a common charge Any additions, alterations, or improvements costing \$1,000.00 or less may be made by the Board of Managers/Directors without special approval of the lot owners

Section 11.

DESCRIPTION OF COMMON ELEMENTS. The Common Elements consist of the entire property so designated and shown on a map recorded in Deed Book 3031, Page 0335 of the Craven County Registry they include, without limitation, the following:

- A. All land, lawns, gardens, roads, parking, stormwater drainage system and other improved or unimproved areas not within any lot
- B. All installations or power, lights and water existing for common use and all other parts of the property necessary or convenient to its existence, maintenance and safety or normally in common use,
- C. All common sewer and drainage pipes,
- D. All other apparatus, equipment and installations existing without the lots for common use or necessary or convenient to the existence, maintenance, or safety of the common area

Section 12 RIGHT OF ACCESS A lot owner shall grant a right of access to his lot to any person authorized by the Board of Directors, to make inspections: to correct any condition originating in his lot and threatening another lot or a common element, to install, alter or repair mechanical or electrical services or other common elements in his lot.

ARTICLE VII

CONDEMNATION

Section I CONDEMNATION In the event of a taking in condemnation or by eminent domain of part or all of the common elements, the award made for such taking shall be payable to the Board of Directors who shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of

damage.

ARTICLE VIII

MISCELLANEOUS

Section 1 NOTICES All notices to the Board of Directors shall be sent by registered or certified mail, to the office of the Board of Directors, at the address on record.

Section 2 INVALIDITY The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect the balance of these By-Laws

Section 3 CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof

Section 4 GENDER The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural whenever the context so requires

Section 5 WAIVER No restrictions, conditions, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE IX

RECORDS

Section 1 RECORDS AND AUDITS. The Board of Directors shall keep detailed records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the lot owners, and financial records and books of account of the Association, including a chronological listing of receipts and expenditures, as well as a separate account for each lot which, among other things, shall contain the amount of each assessment of common charges against such lot, the date when due, the amounts paid thereon and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Association shall be rendered by the Board of Directors to all lot owners at least annually. All of the above records and information shall be made available to any owner upon reasonable notice.

ARTICLE X

AMENDMENT TO BY-LAWS

Section 1 AMENDMENT TO BY-LAWS. These By-Laws may be amended by vote of the owners of two-thirds (2/3) of the members of the Property Owners Association, provided, that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements as herein provided, or affect any lien for the payment thereof established herein.

The foregoing were adopted as the By-Laws of MARINA TOWNES OWNERS ASSOCIATION, INC at the meeting held on the __ day of __ 20__.

Certified to be correct, this the ____ day of ____, 20 ____

President & Secretary of the Board of
Directors of MARINA TOWNES OWNERS ASSOCIATION,
INC .