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**AMENDED AND RESTATED DECLARATION OF CONDOMINIUM  
FOR QUEENS COURT CONDOMINIUM**

**NOTICE IS HEREBY GIVEN THAT THIS DOCUMENT REGULATES  
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Submitted electronically by "Jordan Price Wall Gray Jones & Carlton"  
in compliance with North Carolina statutes governing recordable documents  
and the terms of the submitter agreement with the Carteret County Register of Deeds.

STATE OF NORTH CAROLINA

AMENDED AND RESTATED  
DECLARATION OF CONDOMINIUM  
FOR QUEENS COURT  
CONDOMINIUM

CARTERET COUNTY

This Amended and Restated Declaration of Condominium for Queens Court Condominium (the "Declaration") is made this 16th day of November, 20 21, by not less than sixty-seven percent (67%) of Unit Owners in the Condominium.

WITNESSETH

WHEREAS, B.W.T. Enterprises, Inc., a North Carolina corporation, caused to be recorded a document entitled "Declarations of Queens Court Condominiums Section 'I', Buildings 'A' & 'B'" in Book UO 34, Page 439 of the Carteret County Registry, which document was thereafter amended and supplemented of record, including in Book UO 35, Page 179; Book UO 38, Page 246; Book UO 49, Page 435; Book UO 76, Page 273; Book UO 79, Page 365; Book 732, Page 621, all in the Carteret County Registry (collectively, "Original Declaration"); and,

WHEREAS, the Bylaws of the Queens Court Homeowners Association, Inc. ("Association") were attached as Exhibit D to the declaration recorded in Book UO 34, Page 439 of the Carteret County Registry, and said Bylaws were thereafter amended including in Book UO 81, Page 446; Book 732, Page 622; and Book 1572, Page 363, all in the Carteret County Registry (collectively, "Original Bylaws");

WHEREAS, Article 26(B) of the Original Declaration provides that it may be amended at a special meeting of the members, by an affirmative vote of sixty-seven percent (67%) of the members owning Units in the Condominium, and at any such meeting the written vote of any member shall be recognized if such member is not in attendance at such meeting in person or by proxy; and

WHEREAS, Article 8(C) of the Original Bylaws provides that it may be amended at a special meeting of the members, by an affirmative vote of sixty-seven percent (67%) of the members owning Units in the Condominium, and at any such meeting the written vote of any member shall be recognized if such member is not in attendance at such meeting in person or by proxy;

WHEREAS, not less than sixty-seven percent (67%) of the members owning Units in the Condominium desire to amend and restate the Original Declaration and the Original Bylaws as set forth below;

NOW THEREFORE, the undersigned hereby declare that this Amended and Restated Declaration of Condominium for Queens Court Condominium, including the Amended and Restated Bylaws attached as Exhibit A, shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the property described on Exhibit C attached hereto and incorporated herein by reference, or any part thereof, and shall inure to the benefit of each owner thereof. Such property shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the provisions of this Amended and Restated Declaration of Condominium for Queens Court Condominium and the easements, restrictions, covenants, and conditions described herein, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of such property. This Amended and Restated Declaration of Condominium for Queens Court Condominium shall amend and supersede and fully replace the Original Declaration. The Amended and Restated Bylaws for Queens Court Homeowners Association, Inc. shall amend and supersede and fully replace the Original Bylaws. The property subject to this Declaration shall be held, sold, and conveyed subject to Chapter 47A of the North Carolina General Statutes, as it may be amended from time to time.

## ARTICLE I DEFINITIONS

Unless it is plainly evident from the context that a different meaning is intended, the following terms, words, and phrases shall have the following meanings when used in this Declaration:

**Section 1.1**     “**Association**” shall mean and refer to the Queens Court Homeowners Association, Inc., a North Carolina non-profit corporation, which shall manage the Condominium as specified in this Declaration, its Articles of Incorporation and corporate Bylaws, and applicable law.

**Section 1.2**     “**Board**” or “**Board of Directors**” shall mean and refer to those persons elected or appointed and acting collectively as the Directors of the Association, and on behalf of the Association, as prescribed in the Declaration and the Bylaws.

**Section 1.3**     “**Buildings**” shall mean and refer to the buildings constructed on the Condominium Property, including all Units and Common Elements therein.

**Section 1.4** “**Bylaws**” shall mean and refer to the Amended and Restated Bylaws of the Association attached hereto as Exhibit A, and all amendments to such Bylaws which may from time to time be adopted.

**Section 1.5** “**Common Elements**” shall mean and refer to all portions of the Condominium and Condominium Property other than the Units. Common Elements shall also include Limited Common Elements as defined below.

**Section 1.6** “**Common Elements Interest**” shall mean and refer to the undivided interest in the Common Elements and the Common Expense Liability allocated to each Unit as set forth on Exhibit B.

**Section 1.7** “**Common Expenses**” shall mean and refer to any and all expenditures made by or financial liabilities of the Association, together with any allocations to reserves. Common Expenses include, without limitation:

- (a) All sums lawfully assessed against the Owners by the Association;
- (b) Expenses of administration, maintenance, repair, or replacement of the Common Elements including the cost of any management company engaged by the Association;
- (c) Expenses agreed upon as Common Expenses by the Association;
- (d) Expenses declared to be Common Expenses by the provisions of the Condominium Documents or applicable law;
- (e) Hazard, and such other insurance premiums as the Condominium Documents or applicable law may require or allow the Association to purchase;
- (f) Taxes and public assessments levied against the Common Elements not otherwise assessed against the Units; and
- (g) Any utilities which serve the Common Elements.

**Section 1.8** “**Condominium**” shall mean and refer to the Queens Court Condominiums, as established by the submission of the Condominium Property and all improvements thereon to the condominium form of property ownership.

**Section 1.9** “**Condominium Documents**” shall mean and refer to this Declaration, the Articles of Incorporation of the Association, the Bylaws, and the Rules and Regulations governing the use of the Condominium Property, as amended and supplemented from time to time, and all attachments and exhibits thereto.

**Section 1.10** “**Condominium Property**” or “**Property**” shall mean the real property described on Exhibit C, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real property.

**Section 1.11** “**Declarant**” shall mean and refer to B.W.T. Enterprises, Inc., a North Carolina corporation, the entity recording the original restrictive covenants for the Condominium. The Declarant no longer owns any interest in the Condominium.

**Section 1.12** “**Declaration**” shall mean and refer to this Amended and Restated Declaration of Condominium for Queens Court Condominiums, as it may hereinafter be amended or supplemented from time to time.

**Section 1.13** “**Limited Common Elements**” shall mean and refer to those portions of the Common Elements allocated by the Declaration for the exclusive use and benefit of one or more, but fewer than all, of the Units, to the exclusion of all other Units, as more fully described in Section 5.2 of this Declaration and as depicted on the Plans.

**Section 1.14** “**Member**” shall mean any person or entity entitled to membership in the Association as provided herein.

**Section 1.15** “**Mortgage**” shall mean and refer to a first mortgage or deed of trust constituting a lien on a Unit.

**Section 1.16** “**Mortgagee**” shall mean and refer to the owner and holder of the indebtedness secured by a first Mortgage that has notified the Association in writing of its name and address, that it holds a Mortgage on a Unit, and that it desires to be given the notices and other rights described in Article XIV.

**Section 1.17** “**Original Declaration**” shall mean and refer to the Declaration of Queens Court Condominiums Section “I”, Buildings “A” & “B” recorded in Book UO-34, Page 439 of the Public Registry, along with all amendments thereto recorded in the Public Registry, including those amendments recorded in Book UO-35, Page 179; Book UO-38, Page 246; Book UO-49, Page 435; Book UO-55, Page 318; Book UO-76, page 273, Book UO-79, Page 365; and Book 732, Page 621.

**Section 1.18** “**Owner**” shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Unit, but shall exclude those persons or entities having an interest in any Unit as merely security for the payment or performance of an obligation.

**Section 1.19** “**Person**” shall mean and refer to a natural person, a corporation, limited liability company, a partnership, joint venture, a trust, or any other legal entity.

**Section 1.20** “**Plans**” shall mean and refer to the plats, plans and specifications for the Buildings and Condominium Property, including any amendments thereto, recorded under the name of the Condominium, including those plats and plans recorded in the Public Registry in Book 10-G, Page 73; Book 10-G, Page 95; Book 10-H, Pages 17 through 19, inclusive; Book 10-J, Pages 27 through 30, inclusive; Book 10-O, Page 111; and Book 10-O, Pages 151 through 158, inclusive.

**Section 1.21** “**Public Registry**” shall mean and refer to the office of the Register of Deeds of Carteret County, North Carolina.

**Section 1.22** “**Rules and Regulations**” shall mean and refer to all rules and regulations adopted by the Board in accordance with the terms of this Declaration.

**Section 1.23** “**Unit**” shall mean and refer to that physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are more particularly described in Article IV below.

**Section 1.24** “**Unit Ownership Act**” means the provisions of Chapter 47A of the North Carolina General Statutes as the same now exists or may hereafter be amended, or any new enactment in substitution or replacement thereof as the same by law may be applied to this Condominium.

## ARTICLE II DESIGNATION AND DESCRIPTION OF CONDOMINIUM

The Condominium Property and all improvements thereon comprise the Condominium. The Condominium is located in Carteret County, North Carolina. The Condominium Property and all improvements thereon were subjected to the terms of the Unit Ownership Act by virtue of the recording of the Original Declaration and remain subject to the same. The name of the Condominium is “Queens Court Condominiums.”

## ARTICLE III DESCRIPTION OF BUILDINGS

The location and dimensions of the Buildings are shown on the Plans. Except as may be otherwise set forth on the Plans, the Buildings are constructed of wood framing and wood siding upon concrete foundations. Ground floors are of concrete. Balconies are of wood. The roof contains polyurethane coating on polyurethane

insulation, and there are no basements. The Buildings are serviced by elevators. The Property contains sufficient parking space to accommodate at least one automobile for each Condominium Unit, and each Unit Owner has the right to use one parking space for the parking of an automobile.

#### **ARTICLE IV DESCRIPTION OF UNITS**

**Section 4.1**    **Units.** The location of Units within the Condominium, their dimensions, and their floor and ceiling elevations, are shown on the Plans. The identification number for each Unit is set forth on Exhibit B. There are a total of ninety-six (96) Units.

**Section 4.2**    **Unit Boundaries.** The upper boundary of each Unit is the outermost surface of the interior sheetrock, wallboard, or panel surfacing material of the ceiling; the lower boundary of the Unit is the undersurface of the wood subflooring material of the floors; and the perimeter boundaries are the outermost surfaces of the interior sheetrock, wallboard, or panel surfacing materials of all perimeter walls, interior bearing walls, and/or bearing partitions. For avoidance of doubt, all portions of sheetrock, wallboard, and panel surfacing material that serve as a boundary of a Unit are considered to be part of the Unit, and all subflooring that forms the boundary of a Unit is considered to be a part of the Unit.

All chutes, flues, ducts, wires, pipes, conduits and other such facilities are deemed to be a part of the Unit at the point at which the same enters the interior sheetrock, wallboard, or panel surfacing material for walls and ceilings and subflooring forming the boundaries of the Unit. All lath, furring, wallboard, sheetrock, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished flooring, and any other materials constituting any part of the finished surfaces of the walls, floors, and ceilings are part of the Unit. Furthermore, all interior walls, partitions, fixtures, appliances, cabinets and other facilities or improvements lying completely within the boundaries of a Unit shall be a part of such Unit.

The following, whether located within or outside the Unit's boundaries are part of the Unit: any portions of the heating, ventilating, and air-conditioning systems, including fans, compressors, return air grills and thermostats designed to serve a single Unit; all doors (including sliding and storm doors), door panes, and trim; all windows, window frames, trim, panes, screens, and components thereof; and hurricane shutters. Even though exterior doors and windows are a part of the Unit, the Association shall be responsible for painting of the exterior surfaces of the wooden entrance door and the wood frame/trim around windows.

**ARTICLE V  
COMMON ELEMENTS**

**Section 5.1 Common Elements.** The Common Elements include all portions of the Condominium that are not part of the Units, including without limitation all the following:

- (a) The Condominium Property.
- (b) All improvements located within the Condominium Property outside of the Units, including without limitation the Limited Common Elements, as well as the interior stairwells, elevators, and outside corridors within the Condominium.
- (c) The foundations, roofs, columns, girders, beams, supports, exterior and interior load-bearing walls, and all other structural elements of the Condominium.
- (d) Any public connections and facilities for utility services serving the Building and Common Elements which are located within the Common Elements that are not owned by the public utility or municipal agency providing such services, until owned or maintained by the public utility or municipal agency providing such service.
- (e) All tangible personal property required for the operation and maintenance of the Condominium that may be owned by the Association.
- (f) All walks, driveways, and parking areas.

**Section 5.2 Limited Common Elements.** The Limited Common Elements are a subset of the Common Elements that are allocated by the Declaration for the exclusive use of one or more but fewer than all of the Units. The Limited Common Elements are as follows: (a) balconies and storage sheds allocated to each Unit as shown on the Plans, and (b) stairways, stairwells, and elevators servicing specified Units as shown on the Plans. References in this Declaration to the "Common Elements" shall include the Limited Common Elements unless the context clearly indicates otherwise. The allocation of use of Limited Common Elements to the Units as provided for in this Declaration shall not be altered without the unanimous consent of the Owners whose Units are affected.

**Section 5.3 Undivided Interests of Owners in Common Elements.** The percentage ownership interest in the Common Elements allocated to each Unit is set forth on Exhibit B attached hereto. The proportional interest in the Common

Elements that is appurtenant to each Unit has been determined by a ratio formulated upon the approximate relation of that the fair market value of each Unit at the date that Unit was subjected to the condominium form of ownership to the then aggregate fair market value of all of the Units having an interest in the Common Elements. The fair market value of each Unit and the aggregate fair market value of all the Units were determined by Declarant and are binding upon all Unit Owners. The Common Elements Interest allocated to each Unit shall not be changed except with the unanimous consent of all the Owners of all the Units.

The proportional undivided interest in the Common Elements appurtenant to each Unit shall remain undivided and no Unit Owner shall bring or have any right to bring any action for partition or division. The undivided interest in the Common Elements appurtenant to each Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Unit even, though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit.

**Section 5.4 Maintenance Responsibilities of the Association.** The Association, at its expense, shall be responsible for the maintenance, repair, and replacement of the Common Elements.

The Association shall not be responsible for the maintenance, repair, and replacement of the Limited Common Elements, unless the Association, through its Board of Directors, assumes primary maintenance responsibility of a particular Limited Common Element (e.g., balconies). If the Association assumes such maintenance responsibility, the cost of maintenance, repair or replacement of a Limited Common Element shall be assessed against the Unit or Units to which it is allocated in accordance with the respective Common Elements Interests, each against the other(s). The Association shall be responsible for maintaining the structural components of decks to include bolts/fasteners and supporting elements. Deck boards and railings remain the responsibility of the Owner.

Whenever the maintenance, repair and replacement of any item which the Association is obligated to maintain, replace or repair at its expense is occasioned by the negligence or intentional act of an Owner, any resident of the Unit, a tenant, or the guests or invitees of any of them, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner who is responsible for the act causing the damage (whether done by himself or by his employees, servants, guests, invitees or lessees) shall be required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of the applicability of any deductible provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. If not promptly paid, the

Association may assess the Owner thereof and the same shall become a lien against the Unit of the Owner as provided herein.

Whenever the maintenance, repair and replacement of any item which the Association is obligated to maintain, replace or repair at its expense is occasioned by the negligence or intentional act of an Owner, any resident of the Unit, a tenant, or the guests or invitees of any of them, and such loss or damage is not covered by any insurance maintained by the Association, then the Owner shall pay the cost thereof; and, if not promptly paid upon request, the Association may assess the Owner thereof and the same shall become a lien against the Unit of the Owner as provided herein.

Should any incidental damage be caused to any Unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any Common Elements, the Association shall, at its expense, repair such incidental damage.

**Section 5.5 Maintenance Responsibilities of the Unit Owner.** Each Unit Owner shall be responsible for the maintenance and repair of all portions of the Owner's Unit and the Limited Common Elements appurtenant thereto, and shall promptly perform all maintenance and repair work within the Unit or with respect to the Limited Common Elements which, if omitted, would affect the Condominium either in its entirety or in part. Such maintenance shall include, without limitation:

- (a) All walls, ceilings, and floors within the Unit, including painting and decorating;
- (b) All furnishings and all other accessories that the Owner may desire to place within the Unit;
- (c) Maintaining in a clean and orderly fashion all Limited Common Elements, including balconies and personal property placed thereon;
- (d) Maintenance, repair, and replacement of windows and all components thereof serving the Unit (excluding the painting of window trim which is the responsibility of the Association);
- (e) Maintenance, repair, and replacement of interior and exterior doors and all components thereof serving the Unit (excluding the painting of the exterior of the wooden entrance door which is the responsibility of the Association);
- (f) Maintenance, repair, and replacement of any heating, ventilating, and air conditioning systems serving the Unit, and all components thereof;

- (g) Maintenance, repair, and replacement of all glass surfaces serving the Unit(s);
- (h) Maintenance, repair, and cleanliness of the interior of the Unit so as to prevent any unsanitary or unsafe condition that would tend to adversely affect or cause damage to the Common Elements or another Unit, including maintenance of refrigerators, hot water heaters, fixtures required to provide water, light, power, sewage or sanitary services, and all other appliances and fixtures located within the Unit.

The Board may enter upon a Unit or any portion of the Condominium Property to perform maintenance or make repairs thereon which is the responsibility of a Unit Owner who has failed to perform such maintenance or make such repairs (i) after having given such Owner at least ten (10) days prior notice, or (ii) without giving notice in the event of an emergency. The costs of the same shall be assessed against the Owner thereof and the same shall become a lien against the Unit of the Owner as provided herein.

**Section 5.6**     **Parking.** All parking areas within the Condominium are part of the Common Areas. However, the Board may from time to time designate or re-designate individual parking spaces for the use of a particular Unit. Such designation does not convert said parking space into a Limited Common Element. Unit Owners shall not park or store any camper, trailer, recreational vehicle, boat, or similar vehicle on the Property except in areas designated by Board. Only Owners may store such items on the Property; tenants are not permitted to have such vehicles on the Property. No semi-trailer truck (or any part thereof) is permitted on the Property. Golf carts are not allowed on the Property except for the use of the Association. The Board may enact additional rules and regulations governing parking within the Condominium.

## ARTICLE VI RESTRICTIONS ON USE

The following covenants, restrictions, conditions and limitations as to use and occupancy shall run with the Condominium Property and shall be binding upon each Owner, his or her family members residing in or occupying his or her Unit, guests, invitees, tenants, licensees, heirs, executors, administrators, successors and assigns.

**Section 6.1**     **Use.** Except as otherwise set forth herein, no Unit may be used for any purpose other than residential use and other purposes ancillary to such use. No Unit may be used for business or trade purposes at any time except with the written approval of the Board, which the Board may grant so long as the primary use is residential, no business customers of the resident(s) visit the Unit, such business does not otherwise violate the provisions of the Declaration or Bylaws, and the

business does not create a disturbance or unduly increase traffic flow or parking congestion, which shall be judged in the sole discretion of the Board. Notwithstanding the foregoing, leasing of a Unit in accordance with this Declaration shall not be considered a business or business activity.

**Section 6.2 Subdivision and Recombination.** No Condominium Unit may be divided or subdivided into a smaller Unit or Units than as shown in the Plans, nor shall any Unit or portion thereof be added to or incorporated into any other Unit.

**Section 6.3 Nuisance.** No obnoxious, offensive or unlawful activity shall be conducted within any Unit, or on or about the Common Elements, nor shall anything be done thereon or therein which may be or which may become an annoyance or nuisance to the other Owners or endanger the health and safety of any Owner. All laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Condominium shall be observed. Nothing shall be done or kept in any Unit or in the Common Elements that will result in the termination of, or an increase in the premium for, the policy of property insurance for the Condominium.

**Section 6.4 Noise and Disorderly Conduct.** No Owner shall engage in any disorderly conduct on the Condominium Property, or cause or allow any disturbance, including, but not limited to, shouting, singing, or playing any musical instruments or electronic equipment (including radios, stereos, televisions, and computer equipment) in a manner that unreasonably disturbs other Owners.

**Section 6.5 Prohibitions on Use of Common Elements and Limited Common Elements.** Owners shall not utilize the Common Elements for storage of personal property of any kind. Entrances, stairwells, corridors, hallways, sidewalks, driveways, and parking areas shall not be obstructed in any way or used for other than their intended purposes. Balconies may be used only for their intended purposes. In general, no activity shall be carried on nor conditions maintained by any Owner either in such Owner's Unit or upon the Common Elements or Limited Common Elements which despoils the appearance of the Condominium Property or which interferes with the quiet enjoyment of other Owners with respect to their Units. The Board may enact reasonable rules and regulations regarding the appearance of Limited Common Elements, which rules may prohibit the storage or placement of items or types of items within balconies, and other Limited Common Elements.

**Section 6.6 Garbage.** Trash, garbage, and other waste shall be kept in sanitary containers within each Unit before disposal in a dumpster or recycling bin as applicable. No trash shall be stored in storage rooms or vehicles.

**Section 6.7 Leases of Units.** No Owner may lease less than the entire Unit. All lease agreements shall be in writing and shall incorporate the requirements of the Declaration, Bylaws, and rules and regulations of the Association, and shall require any lessee to abide by all the obligations set forth in those documents as a condition of the lease agreement. The lease agreement must state that any failure of a lessee to comply with the terms of such documents shall be a condition of default under the lease. No interest in any Unit may be subjected to a time share program, as that term is defined in N.C.G.S. §93A-41(10).

**Section 6.8 Occupancy.** No more than two (2) persons per bedroom are permitted to permanently reside in a Unit; provided, however, the Board may grant a variance from this provision for good cause shown. In deciding whether to grant a variance, the Board shall consider the size of bedrooms and the dwelling, the age of the occupants, the configuration of the dwelling, other physical limitations of housing, and any other relevant factors. For Units that are rented on a short-term basis, which is defined to be for less than fourteen (14) days, occupancy is restricted to no more than four (4) persons in a 1-bedroom Unit; no more than six (6) persons in a 2-bedroom Unit; and no more than eight (8) persons in a 3-bedroom Unit. In no event may occupancy exceed any restrictions imposed by applicable law or ordinance.

**Section 6.9 Animals.** No animals, livestock or poultry of any kind shall be kept or maintained in any Unit or upon the Property, except that Owners who occupy their Unit may keep up to three (3) dogs, cats or other household pets in a Unit as long as the animals are not kept or maintained for commercial purposes and are controlled in accordance with applicable governmental ordinances. Pets are not permitted in rental units.

For purposes of this section, the term "household pet" shall not include chickens, pigs, horses, goats, sheep, cows, or other type of livestock of any size, including pygmy and miniature varieties, whether or not the owner considers the animal to be a pet, and shall not include any snake. All pets shall be controlled so as not to create a nuisance or unreasonable disturbance (including loud and excessive barking) whether inside or outside the Condominium. Pets shall not at any time be left unattended nor tied or chained in the Common Elements or any balcony or other Limited Common Element. Pets shall not be permitted to defecate in the Common Elements or to urinate in any portion of the Common Elements except for grassed areas. Pet owners are responsible for the immediate removal and proper disposal of any pet waste. All pets shall be licensed and inoculated as required by law.

The Board of Directors may enact rules and regulations requiring the registration of pets, including for purposes of DNA testing of pet waste, which registration shall be at the expense of the Owner. If DNA testing of pet waste is authorized by the Board, and a test of pet waste left on the Common Elements

identifies the pet leaving said waste, the Owner shall be responsible for the cost of the test.

**Section 6.10 Utilities.** The Association shall be responsible for costs of water, sanitary sewer, and electrical service which serve the Common Elements. The Condominium has a single meter or submeters for water and sanitary sewer service provided to the Buildings, and the cost of such water and sewer service shall be deemed a Common Expense. Unit Owners shall be individually responsible for the repair, maintenance and upkeep of all equipment such as hot water heaters and heating and air conditioning equipment which exclusively serves their Unit.

**Section 6.11 Antennas; Flags; Signage; Holiday Decorations.** Temporary or permanent placement of exterior satellite dishes, antennae, flags (including without limitation the flags of the United States of America or the State of North Carolina), and holiday decorations on the exterior of Units and Common Elements is restricted as follows:

- (a) Flags; Banners; Signs. No flags, banners, political signs, or other signs of whatever nature, including without limitation "For Sale" and "For Rent" signs or commercial signs, shall be displayed on or about the exterior of any Unit, or in the window of any Unit, or on the Common Elements, except as follows:
- i. Directional or regulatory signs as may be deemed necessary or desirable by any governmental unit or the Association, including, but not limited to, street name signs, parking and no parking signs, stop signs, speed limit signs, entrance signs, and building identification signs shall be permitted on the Common Elements.
  - ii. Owners may display the flag of the United States of America or North Carolina in areas in which they have a right of exclusive possession or use, but only in accordance with federal law regarding the appropriate display of the flag of the United States; provided, however, the Board may enact reasonable restrictions pertaining to time, place, or manner of displaying the flags as may be necessary to protect a substantial interest of the Association.

Owners may display decorative flags in areas in which they have a right of exclusive possession or use. A "decorative flag" means a flag that celebrates the current season, a federally recognized holiday, a religious holiday, or a sports team. The

Board may enact reasonable rules and regulations governing the number and type of decorative signs that are permitted.

- iv. The Association shall have the right to maintain such signs on the Common Elements as may be appropriate in the discretion of the Board.
- (b) Satellite Dishes, Antennas etc. Satellite dishes greater than one meter in diameter are prohibited. Satellite dishes may not extend into or be placed on the Common Elements. No other exterior radio antennae, television antennae, or other electronic signal-receiving or transmitting equipment shall be placed, allowed, or maintained upon any portion of the Condominium unless otherwise specifically permitted by FCC regulations. Dishes and accompanying equipment should be painted to the extent possible to blend in with the surrounding area where located. Owners are solely responsible for maintaining satellite dishes and antennas and all related equipment. Owners will be required to temporarily remove their satellite dishes or antennas at the Owner's cost if reasonably necessary for the Association to perform any of its maintenance obligations. Any damage that is caused by the installation of a satellite dish or antenna will be the sole responsibility of the Owner. Each satellite dish or antenna and all related equipment must be removed by an Owner if no longer in service.

**Section 6.12 Maintenance.** Each Owner shall keep such Unit Owner's respective Unit and Limited Common Elements in a clean, neat, and sanitary condition and in a good state of maintenance and repair. If an Owner fails to comply with the standards or requirements of the Association relative thereto, the Association may (but shall have no obligation to) undertake to effect said compliance, and assess the defaulting Owner the cost thereof which may be collected in the same manner as annual assessments.

**Section 6.13 Doors, Windows, and Hurricane Shutters.** The Association shall paint the exterior portion of the wooden entrance door to each Unit on a cycle to be determined by the Board. All other painting of the entrance door must be with a color approved by the Board. Painting, maintenance, repair, and replacement of storm doors is the sole responsibility of the Owner. Storm doors shall be almond or bronze in color. Maintenance, repair and replacement of sliding glass doors are the sole responsibility of the Owner. The frame of all sliding glass doors shall be bronze. Painting, maintenance, repair, and replacement of hurricane shutters is the sole responsibility of the Owner. Hurricane shutters shall be almond in color. All painting or replacement of doors or windows or hurricane shutters requires prior written approval of the Board. The Board may enact additional specifications regarding the type, brand, or color of any of the foregoing.

**Section 6.14 Insurance.** Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board of the Association. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law. No waste will be committed in the Common Elements.

**Section 6.15 Landscaping.** No Unit Owner shall install any landscaping and/or plant any vegetable or herb garden in the Common Elements unless the prior written consent of the Board is obtained. The Association reserves the right to remove any planting from the Common Elements without notice in the event written permission for the planting was not obtained from the Board.

**Section 6.16 Smoking.** There shall be no smoking of tobacco or any other product intended for human inhalation at the pool or the gazebo/pavilion areas. The Board may enact additional rules governing smoking within the Common Elements or Limited Common Elements.

**Section 6.17 Hurricane Preparedness.** Hurricane shutters or hurricane rated glass is mandatory for all sliding doors. Hurricane shutters must be kept in proper working order. Owners are required to keep installed at all times proper flashing beneath the sliding glass doors to a Unit to repel water. The Board may enact specific standards related to such flashing and other exterior components necessary to protect the Condominium from storm events.

In the event a hurricane watch is issued that is applicable to Carteret County, Unit Owners are responsible for ensuring that their hurricane shutters are closed and securely fastened, and all items are removed from their balconies. It is the Owner's responsibility to remain knowledgeable about weather conditions and to ensure that all preparedness is accomplished in the appropriate timespan.

**Section 6.18 Rules and Regulations.** In addition to the use restrictions set forth in this Declaration, reasonable Rules and Regulations governing the use of the Condominium Property, including the Units, may be established and amended from time to time by the Board. Copies of such rules, regulations, and amendments thereto shall be furnished by the Association to all Owners prior to their effective date.

**Section 6.19 Compliance with Covenants, Conditions and Restrictions.** Every Unit Owner and other party described in the first paragraph of this Article shall comply strictly with the Condominium Documents. A violation committed by any persons residing in, occupying or visiting a Unit at the behest or

with the implied or express permission of the Unit Owner or any other occupant of the Unit, or committed by any agent, employee, business invitee, or contractor of the Unit Owner or of any person occupying a Unit, shall be attributed to that Unit and the Owner thereof. An Owner may be fined by the Association for failure to comply with the Condominium Documents in an amount not to exceed One Hundred Dollars (\$100.00) per day per violation, or any higher amount allowed by law. Any fine shall be assessed against the Owner and his Unit and, if unpaid, shall be a lien on the Unit as provided herein.

## **ARTICLE VII ASSESSMENTS**

**Section 7.1 Organization of Association.** A nonprofit North Carolina corporation known and designated as Queens Court Homeowners Owners Association, Inc. has been organized to provide for the administration of the Condominium Property and to undertake and perform all acts and duties incident thereto in accordance with the terms of the Condominium Documents and applicable law. Every Owner shall be required to be and shall automatically be a Member of the Association by virtue of his/her ownership interest in a Unit; provided, however, that such membership shall automatically terminate upon the Owner being divested of ownership interest in the Unit. A copy of the Bylaws of the Association are attached as Exhibit A.

**Section 7.2 Authority to Assess Owners.** To properly administer the operation and management of the Condominium, the Association will incur for the mutual benefit of all the Owners certain Common Expenses. To provide the funds necessary for such proper operation, management and capital improvement, the Association is granted the right to make, levy, and collect assessments against the Owners and their Units. Each Owner of any Unit, by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association assessments for those purposes outlined below, such assessments to be established and collected as hereinafter provided.

**Section 7.3 Basis of Assessments.** Except as otherwise provided in this Declaration, each Owner shall contribute as its share of the Common Expenses an amount equal to the Owner's Common Elements Interest multiplied by the Common Expenses (the "Common Assessment"). Common Expenses associated with Limited Common Elements shall be assessed against only those Units to which the applicable Common Expenses are allocated, in accordance with the respective Common Elements Interests, each against the other(s). In addition to the Common Assessment, the Association, acting through the Board may assess individual Unit Owners ("Individual Unit Assessment") for: (i) any costs incurred by the Association by reason of the Owner's failure to maintain its Unit, if the Association takes actions to do so as authorized herein; or (ii) any costs incurred by the Association as a result

of such Unit Owner's (or its tenant's, agent's, contractor's, family member's or invitee's) negligence, willful misconduct, or default under its obligations under the Condominium Documents, including any costs for maintenance or repair and reasonable attorney's fees.

**Section 7.4 Manner of Payment.** Assessments provided for herein shall be payable in annual, quarterly, or monthly installments, or in such other installments and at such times, as may be determined by the Board.

**Section 7.5 Commencement.** Common Assessments shall be levied at least annually by the Association.

**Section 7.6 Annual Budget.** The Board shall establish an annual budget in advance for each fiscal year. Such budget shall project all expenses (including ad valorem taxes and public improvement assessments levied against the Common Elements) for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account projected anticipated income which is to be applied in reduction of the amount required to be collected as an assessment each year.

Within 30 days after adoption of any proposed budget for the condominium, the Board shall provide a summary of the budget to all the unit owners, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than 10 nor more than 60 days after mailing of the summary. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting sixty-seven percent (67%) of all the Unit Owners rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.

**Section 7.7 Modification of Assessment.** Should the Board at any time determine, in its sole discretion, that the Common Assessment levied is, or may prove to be, insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board shall have the authority to levy such additional assessment or assessments it may deem to be necessary.

**Section 7.8 Capital Improvement Fund.** The Board, in establishing the annual budget for operation, management and maintenance of the Condominium, may designate therein a portion of the Common Assessment to be collected and maintained as reserves for the replacement and making of capital improvements to the Common Elements, as well as the replacement of personal property which may constitute a portion of the Common Elements or be owned by the Association and held for the joint use and benefit of the Owners of the Units. The amount to be

allocated to reserves may be established by the Board so as to collect and maintain a sum reasonably necessary to anticipate the need for replacement of Common Elements and other property owned by the Association.

**Section 7.9 Default; Interest.** The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of the due date established by the Association for such payment. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the rate established by the Association not to exceed eighteen percent (18%) per annum, commencing on the date of default and continuing until such delinquent assessment or installment thereof, and all interest due thereon, has been paid in full to the Association.

**Section 7.10 Late Payment Penalty.** In addition to the accrual of default interest, the Association may impose a penalty for nonpayment of any assessment by the due date. Such penalty shall not exceed the greater of twenty dollars (\$20.00) per month or ten percent (10%) of any assessment installment unpaid.

**Section 7.11 Liability of Owners for Assessments and Other Charges.** The Owner of each Unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such Unit while such party or parties are Owner or Owners of a Unit. In the event that any Owner is in default in payment of any assessment or installment thereof owned to the Association, such Owner shall be personally liable, jointly and severally, for interest and penalty on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

**Section 7.12 No Exemption.** No Owner may exempt himself or herself from liability from any assessment levied against the Owner's Unit by waiver of the use of enjoyment of any of the Common Elements or by abandonment of the Unit or in any other way.

**Section 7.13 Assessments Against Specific Owners.** Notwithstanding the requirement of Section 7.3 that assessments be levied against each Owner according to the Common Elements Interest of each Owner, the Association shall assess:

- (a) any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element against the Unit or Units to which that Limited Common Element is assigned;

- (b) any Common Expense, or portion thereof, benefiting fewer than all the Units exclusively against the Units benefited;
- (c) the cost of insurance against the Units in proportion to the risk if any Unit or Units can be reasonably determined to create a greater risk than any other;
- (d) the cost of utilities, if not separately metered to each Unit, in proportion to usage if it can be reasonably determined that any Unit or Units use an unusually disproportionate share of any utility;
- (e) the cost of any judgment against the Association against only the Units in the Condominium at the time the judgment was entered in proportion to their Common Expense Liabilities;
- (f) any Common Expense caused by the misconduct of any Owner exclusively against that Owner; and,
- (g) any fine or penalty or interest for any delinquent assessment installment exclusively against the Unit so charged.

**Section 7.14 Assessment Lien Granted.** Recognizing the proper operation and management of the Condominium requires the continuing payment of costs and expense thereof, and that such proper operation and maintenance results in benefit to all of the Owners, and that the payment of such Common Expenses represented by the assessments levied and collected by the Association is necessary in order to preserve and protect the investment of each Owner, the Association is hereby granted a lien upon each Unit and its appurtenant Common Elements Interest, which lien shall secure, and does secure, the monies due for all assessments now or hereafter levied against the Owner of each such Unit, which lien shall also secure penalties and interest, if any, which may be due on the amount of any delinquent assessments owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorneys' fee, which may be incurred by the Association in enforcing this lien upon said Unit and its appurtenant Allocated Interest.

The lien granted to the Association may be foreclosed pursuant applicable law, including in the same manner that real estate deeds of trust and mortgages may be foreclosed in the State of North Carolina, pursuant to Article 2A of Chapter 45 of the General Statutes and in any suit for the foreclosure of said lien, the Association shall be entitled to a reasonable rental from the Owner of any Unit from the date on which the payment of any assessment or installment thereof became delinquent, and shall be entitled to the appointment of a Receiver for said Unit. The lien granted to the Association shall further secure such advances for taxes, and payments on account of

superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the highest rate allowed by law on any such advances made for such purpose. All Persons who shall acquire, by whatever means, any interest in the ownership of any Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereof, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any Unit expressly subject to such lien rights.

**Section 7.15 Other Remedies.** This Section does not prohibit the Association from bringing an action to recover sums due it as an assessment independent of any lien filed or claimed, nor does it prohibit the Association from taking a deed in lieu of foreclosure.

**Section 7.16 Judgments.** Any judgment brought hereunder to enforce the lien or the collection of any assessment must include the costs and reasonable attorneys' fees for the prevailing party.

**Section 7.17 Lien Subordinate to Mortgage.** The lien provided for herein is prior to all liens and encumbrances on a Unit except (i) liens and encumbrances, specifically including, but not limited to, a mortgage or deed of trust on the Unit, recorded before the filing of the claim of lien in the office of the clerk of superior court and (ii) liens for real estate taxes and other governmental assessments and charges against the Unit.

**Section 7.18 Statement of Assessments Due.** Whenever any Unit may be leased, sold or mortgaged by the Owner thereof, the Association, upon written request of the Owner, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by such Unit. Such statement shall be executed by any officer of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement. The Association may charge reasonable fees for the provision of such statements.

**Section 7.19 Purchaser Liable for Delinquent Assessments.** In any voluntary conveyance of a Unit, the Purchaser thereof shall be jointly and severally liable with Seller for all unpaid assessments against Seller made prior to the time of such voluntary conveyance, without prejudice to the rights of the Purchaser to recover from Seller the amounts paid by Purchaser therefore.

**Section 7.20 Remedies.** Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking, by

foreclosure action, enforcement of the collection of any sums remaining owed to it, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association. All the rights accruing to the Association shall be deemed cumulative.

## ARTICLE VIII EASEMENTS AND PROPERTY RIGHTS

**Section 8.1 Easements Imposed by Declarant.** The following easements which were imposed by Declarant in the Original Declaration remain in force, and nothing herein shall be deemed to have terminated such easements:

- (a) The Common Elements, excluding the Limited Common Elements, are hereby declared to be subject to a perpetual non-exclusive easement in favor of all the Owners of Units for their use and the use of their immediate families, guests, tenants, and invitees, for all property purposes. Notwithstanding the foregoing, the Association shall have the exclusive right to establish the Rules and Regulations pursuant to which the Owner of any Unit, his family, guests and invitees, may be entitled to use the Common Elements, including the right to assign parking spaces, and to establish regulations concerning their use.
- (b) In the event that any Unit shall encroach upon any Common Elements, or any other Unit for any reason not caused by the purposeful or negligent act of the Unit Owner, or agents of such Owner, then an easement appurtenant to such Unit shall exist for the continuance of such encroachment upon the Common Elements or upon a Unit for as long as such encroachment shall naturally exist; and, in the event that any portion of the Common Elements shall encroach upon any Unit, then an easement shall exist for the continuance of such encroachment of the Common Elements upon any Unit for so long as such encroachment shall naturally exist. If any Unit or Common Elements shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and if upon reconstruction of such Unit and/or Common Elements, there exist encroachments of portions of the Common Elements upon any Unit, or of any Unit upon any other Unit or upon any portion of the Common Elements, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist as long as such encroachments shall naturally remain.
- (c) Each Unit Owner shall have an easement in common with all other Owners over all other Units to use all pipes, wires, ducts, cables,

conduits, public utilities and other common facilities located in any of the other Units and serving each Unit.

**Section 8.2 Other Easements.** The Property is subject to those easements, restrictions, and liens recorded in the Public Registry, and all easements depicted on the Plans.

**Section 8.3 Right of Entry.** The Association shall have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance pursuant to this Declaration, and to inspect for the purpose of ensuring compliance with the Condominium Documents, which right may be exercised by the Association, its officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and only after notice at least 24-hours in advance to the applicable Unit Owner as provided herein, and commercially reasonable efforts shall be made to minimize interference with the Unit Owner's possession and enjoyment of its Unit. This right of entry shall include the right of the Association to enter upon any Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Association. Any governmental agency, its agents, and employees, shall have the right of immediate access to the Common Elements at all times if necessary for the preservation of public health, safety and welfare.

**Section 8.4 Easements Over Common Elements.** The Board may grant easements for utility purposes for the benefit of the Condominium Property including the right to install, lay, maintain, repair and replace water lines; pipes; ducts; sewer lines; gas mains; telephone and television or cable television wires, cables, fiber optic lines and equipment; and electrical conduits and wires, over, under, along and on any portion of the Common Elements (including but not limited to those areas within the plenum areas between Units).

## ARTICLE IX INSURANCE

**Section 9.1 Casualty Insurance.** The Association shall obtain and maintain at all times a policy of casualty insurance covering the Buildings and all improvements upon the land and all personal property subject to this Declaration and any additions added by amendment (except such personal property as may be owned by the Condominium Unit Owners) in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation, foundations, streets and parking facilities) as determined annually by the insurance company affording

such coverage. Such coverage shall afford protection against: (a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; (b) such other risks as from time to time customarily shall be covered with respect to buildings similar in, construction, location and use, including but not limited to vandalism and malicious mischief.

**Section 9.2 Liability Insurance.** The Association shall obtain and maintain one or more policies of commercial general liability insurance in such limits as the Board may, from time to time, determine, covering each member of the Board, the managing agent, if any, and each Owner with respect to liability arising out of the use, ownership, maintenance, or repair of the Common Elements. The liability insurance policies shall include endorsements covering cross liability claims of one insured against another, including the liability of the Board or the Owners as a group to one or more Owners, and shall provide that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Board and to all insureds, including all Owners and Mortgagees.

**Section 9.3 Other Insurance Coverage.**

(a) The Association shall obtain and maintain director and officer liability coverage insuring directors and officers of the Association against liability; such coverage to list officers and directors and the Association as named insureds, and in an amount as determined by the Board.

(b) The Association shall obtain and maintain flood hazard insurance in such amounts and in such forms as shall be required by the presence of any of the Property and or improvements thereon in a flood hazard zone for Carteret County, North Carolina, as prepared by the U.S. Department of Housing and Urban Development, Federal Insurance Administration, or any governmental entity with authority over the same.

(c) The Association shall have the right, in the Board's discretion, to obtain other insurance coverage as it may deem appropriate, including fidelity coverage against dishonest acts on the part of all persons handling, or responsible for handling, funds belonging to or administered by the Board.

**Section 9.4 Premiums & Deductibles.** Premiums upon insurance policies purchased by the Board shall be paid by the Board and charged as a Common Expense.

Each Unit Owner shall be responsible for payment of the costs and repairs to the Owner's Unit that are not covered by insurance due to the applicability of any deductible provision, and if more than one Unit is damaged, the affected Unit Owners shall pay the cost of the deductible in proportion to the damages sustained. Each

Unit Owner agrees that if any portion of the Common Elements which is covered under the Association's insurance policy is damaged or destroyed by any negligent or intentional act of an Owner or his or her family, invitees, or tenants, then such Owner shall be responsible for paying the lesser of: (a) that portion of the insurance deductible applicable to the Common Elements; or (b) the cost to repair and/or replace any damage to the Common Elements, which amount shall be due within ten (10) days after the delivery of written notice of such costs to the responsible Unit Owner.

In the event a Unit Owner refuses or fails to pay the insurance deductible or replacement/repair costs in the time period provided in the preceding sentence, the amount thereof may be advanced by the Board and the amount so advanced shall be assessed to such Owner as an Individual Unit Assessment.

**Section 9.5 Insurance Obtained by Owners.** Each Owner is advised to obtain and keep continuously in force additional "All Risk" fire and casualty and extended coverage insurance upon such Owner's Unit, the improvements therein, and such Owner's personal property, to the extent the same are not insured under any policy maintained by the Association, as well as such other insurance coverage as the Owner may desire. Each Unit Owner, at his expense, shall keep in force comprehensive personal liability insurance covering liability for damages to person or property of others located within such Owner's Unit, or another Unit, or upon the Common Area and facilities in such amounts as the Board of Directors shall, from time to time, determine, but in no case less than \$100,000 for each occurrence. Each Owner shall file a copy of each such individual policy with the Board upon request.

**Section 9.6 Distribution of Insurance Proceeds.** All insurance policies procured by the Association shall provide that all losses shall be adjusted with and all proceeds shall be payable to the Association as insurance trustee. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes set forth herein and for the benefit of the Owners in the following shares:

- (a) Proceeds on account of damage to the Common Elements shall be held in undivided shares for each Owner and its Mortgagee, if any, with each Owner's share to be the same as such Owner's allocated Common Elements Interest.
- (b) Proceeds on account of damage to Units shall be held in the following undivided shares:
  - (i) When the damage is to be restored, for the Owners of damaged Units in proportion to the cost of repairing the damage to each such Owner's Unit, which cost shall be determined by the Association.

- (ii) When the damage is not to be restored, an undivided share for each Owner, such share being the same as each such Owner's allocated Common Elements Interest.
- (c) In the event a mortgagee endorsement or certificate has been issued with respect to a Unit, the share of the Owner shall be held in trust for the Mortgagee and the Owner as their respective interests may appear.
- (d) Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the Owners in the following manner:
  - (i) If it is determined, as provided in Article X below, that the damaged property with respect to which the proceeds are paid shall not be reconstructed or repaired, (i) the proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the rest of the Condominium; (ii) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units to which those Limited Common Elements were allocated or to their Mortgagees, in proportion to their respective Common Elements Interests; and (iii) the remainder of the proceeds shall be distributed to all Owners or Mortgagees, as their interests may appear, in proportion to their respective Common Elements Interests. No Owner shall have priority over any rights of the first mortgagee of the Owner's Unit in the case of payment of proceeds for an insured loss.
  - (ii) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after payment of such repair costs shall be distributed to the beneficial Owners.

## ARTICLE X DUTY TO REPAIR OR RECONSTRUCT

**Section 10.1 Reconstruction and Repair.** In the event of damage to or destruction of the Buildings or any other improvement with respect to which the Association is required to maintain insurance hereunder as a result of fire or other casualty, the Association shall arrange for the prompt restoration and replacement of the Buildings and such other improvements using the proceeds of insurance, unless (1) the Condominium is terminated, or (2) repair or replacement would be illegal

under any state or local health or safety statute or ordinance, or (3) the Owners decide not to rebuild by an eighty percent (80%) vote, including one hundred percent (100%) of Owners of Units not to be rebuilt and one hundred percent (100%) of Owners of Units to which are assigned Limited Common Elements not to be rebuilt. Unless one of the preceding three conditions occurs, the Association shall arrange for the prompt repair and restoration of the Buildings and such other improvements, not including any decoration or covering for walls, ceilings, or floors, or furniture, furnishings, fixtures or equipment (unless the subject insurance policy covers a portion or all of such loss, in which event the Association shall repair or replace such damaged property), and the Association shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any payment for repair and restoration in excess of the insurance proceeds shall constitute a Common Expense. Any reconstruction or repair shall be in accordance with the Plans. If the Owners vote not to rebuild any Unit, that Unit's allocated Common Elements Interest shall be automatically reallocated upon the vote as if the Unit had been condemned under Article XIV.

#### **ARTICLE XI UNITS SUBJECT TO CONDOMINIUM DOCUMENTS**

All present and future Owners, tenants, occupants and/or guests of the Units shall be subject to and shall comply with the provisions of the Condominium Documents, as amended and supplemented from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of all of the above are accepted and ratified by such Owner, tenant or occupant, and an agreement that such provisions shall be deemed and taken to be covenants running with the Condominium and shall bind any Person having at any time any interest or estate in such Unit as though such provisions were made a part of each and every deed of conveyance or lease.

#### **ARTICLE XII AMENDMENT TO DECLARATION**

This Declaration may be amended only by the vote of or by written agreement signed by Owners holding not less than sixty-seven percent (67%) of the votes in the Association; provided, however, that any amendment which amends or alters the percentage of allocated interests of any Unit in the Common Elements, increases the number of Units, changes the boundaries of any Unit, or changes the use to which any Unit is restricted shall require the written approval of all Owners. No

amendment to the Declaration shall be effective until executed on behalf of the Board by an officer designated for that purpose and recorded in the Public Registry.

### **ARTICLE XIII TERMINATION**

The Condominium may be terminated only by agreement of Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated. An agreement to terminate must be evidenced by the execution of a termination agreement, or ratifications thereof, in the same manner as a deed, by the requisite number of Owners. The termination agreement must specify a date after which the agreement will be void unless recorded before that date. A termination agreement and all ratifications thereof must be recorded in the Public Registry and is effective only upon recordation. If the termination agreement provides that all the Common Elements and Units of the Condominium shall be sold following termination, the termination agreement must set forth the minimum terms of the sale.

If any real estate in the Condominium is to be sold following termination, title to that real estate, upon termination, vests in the Association as trustee for the holders of all interests in the Units. Thereafter, the Association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds thereof distributed, the Association continues in existence with all powers it had before termination. Proceeds of the sale must be distributed to Unit Owners and lienholders as their interests may appear, in proportion to the respective interests of Unit Owners. Unless otherwise specified in the termination agreement, as long as the Association holds title to the real estate, each Unit Owner and the Owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted his Unit. During the period of that occupancy, each Unit Owner and the Owner's successors in interest remain liable for all assessments and other obligations imposed on Unit Owners by the Declaration. If the real estate constituting the Condominium is not to be sold following termination, title to all the real estate in the Condominium vests in the Unit Owners upon termination as tenants in common in proportion to their respective interests. While the tenancy in common exists, each Unit Owner and his successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted his Unit.

Following termination of the Condominium, the proceeds of any sale of real estate, together with the assets of the Association, are held by the Association as trustee for Unit Owners and holders of liens on the Units as their interests may appear.

For purposes of this Article, the respective interests of Unit Owners are the fair market value of their Units, Limited Common Elements, and Common Element

Interests immediately before the termination, as determined by one or more independent appraisers selected by the Association. The decision of the independent appraisers shall be distributed to the Unit Owners and becomes final unless disapproved within 30 days after distribution by Unit Owners of Units to which twenty-five percent (25%) of the votes in the association are allocated. The proportion of any Unit Owner's interest to that of all Unit Owners is determined by dividing the fair market value of that Unit Owner's Unit and Common Element Interest by the total fair market values of all the Units and Common Elements. However, if any Unit or any Limited Common Element is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made, the interests of all Unit Owners are their respective Common Element Interests immediately before the termination.

#### **ARTICLE XIV RIGHTS RESERVED TO MORTGAGEES**

**Section 14.1 Rights of Mortgagees to Examine Books and Records.** Any Mortgagee, and any insurer or guarantor of a loan secured by a Mortgage, shall have the right to examine, during normal business hours and upon reasonable notice, the books and records of the Association, including copies of the Condominium Documents, as amended, and the financial statements of the Association, and to be furnished, upon written request, at least one copy of the annual financial statement and report of the Association, such annual statement and report to be furnished within one hundred twenty (120) days following the end of each fiscal year. If any Mortgagee requests, and agrees to pay the cost of the audit, the financial statement shall be audited by an independent certified public accountant.

**Section 14.2 Mortgagee's Rights to Notice.** Any Mortgagee or insurer or guarantor of a loan secured by a Mortgage that has notified the Board in writing of its name and address, the address and Unit number of the Unit encumbered by the Mortgage, or that it holds, insures or guarantees a Mortgage on, shall have the right to receive from the Association prompt written notice of the following:

- (a) Default under any of the terms and provisions of the Condominium Documents by any Owner owning a Unit encumbered by a Mortgage held, insured, or guaranteed by such party, which default remains uncured for a period of sixty (60) days.
- (b) Any loss or damage to or condemnation or taking of the Common Elements or any loss or damage to or condemnation or taking of a Unit encumbered by a Mortgage held, insured, or guaranteed by such Mortgagee.

- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action by the Association, the Board, or the Owners, which under the terms of the Condominium Documents requires the consent of all or any portion of the Mortgagees.

## ARTICLE XV CONDEMNATION AND EMINENT DOMAIN

**Section 15.1 Units.** If a Unit is acquired by condemnation or eminent domain, or if part of a Unit is acquired by condemnation or eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Declaration, the award must compensate the Unit Owner for the Owner's Unit and its interest in the Common Elements, whether or not any Common Elements are acquired. Unless the condemnor acquires the right to use the Unit's interest in Common Elements, that Unit's allocated interests are automatically reallocated to the remaining Units in proportion to the respective allocated interests of those Units before the taking exclusive of the Unit taken, and the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this subsection is thereafter a Common Element.

Except as provided above, if part of a Unit is acquired by eminent domain, the award must compensate the Unit Owner for the reduction in value of the Unit and of its interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, (1) that Unit's allocated interests are reduced in proportion to the reduction in the size of the Unit, or on any other basis specified in the Declaration, and (2) the portion of the allocated interests divested from the partially acquired Unit is automatically reallocated to that Unit and the remaining Units in proportion to the respective allocated interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced allocated interests.

**Section 15.2 Common Elements.** If part of the Common Elements is acquired by eminent domain, the portion of the award not payable to Unit Owners under subsection (a) must be paid to the Association. Unless the Declaration provides otherwise, any portion of the award attributable to the acquisition of a Limited Common Element must be apportioned among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition.

**ARTICLE XVI  
MISCELLANEOUS PROVISIONS**

**Section 16.1 Invalidity.** The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity and enforceability of the remainder of this Declaration, and in such event, all the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

**Section 16.2 Waiver.** No provisions contained in the Condominium Documents 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 which may occur.

**Section 16.3 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 this Declaration or the intent of any provision hereof.

**Section 16.4 Law Controlling.** The Condominium Documents shall be construed and controlled by and under the laws of the State of North Carolina.

**Section 16.5 Liberal Construction.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership. Throughout this Declaration wherever appropriate, the singular shall include the plural and the masculine gender the feminine or neuter as the context permits or requires.

**Section 16.6 Incorporation of Exhibits.** Exhibits A, B, and C attached hereto are hereby incorporated herein by this reference.

**ARTICLE XVII  
ENFORCEMENT**

**Section 17.1 Enforcement.** Every Owner shall be governed by and shall comply with the provisions of the Condominium Documents as they may be amended from time to time. Failure to comply with the same shall be grounds for relief including without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof. Such relief may be sought by the Association or, if appropriate, by an aggrieved Unit Owner.

**Section 17.2 Attorneys Fees.** In any proceeding arising because of an alleged default by a Unit Owner of any provision of Condominium Documents, the

Association if it prevails in whole or in part shall be entitled to recover the costs of the proceeding and its reasonable attorneys' fees.

[SIGNATURE PAGE FOLLOWS]

CERTIFICATION OF VALIDITY OF AMENDMENT

By authority of its Board of Directors, the undersigned President of the Queens Court Homeowners Association, Inc. and the undersigned Secretary of the Queens Court Homeowners Association, Inc. hereby certify that the foregoing Amended and Restated Declaration of Condominium for Queens Court Condominium and the Amended and Restated Bylaws for the Association have been duly approved by (i) a majority of the Board of Directors and (ii) owners of not less than sixty-seven percent (67%) of the Units within the Condominium, and are, therefore, valid amendments to the Original Declaration and Original Bylaws.

QUEENS COURT HOMEOWNERS  
ASSOCIATION, INC.

By: *James M. Worrell*  
President (James M. Worrell)

*Sandra L. Lambe*  
Secretary (Sandra L. Lambe)

STATE OF North Carolina

COUNTY OF Pitt

ACKNOWLEDGMENT

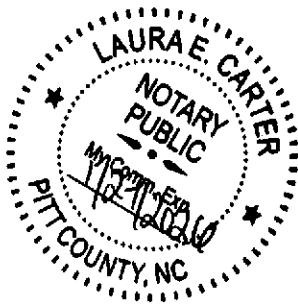
I, Laura E. Carter, a Notary Public of the County and State aforesaid, certify that James M. Worrell, President and Sandra L. Lambe, Secretary of whose identity I have personal knowledge, personally appeared before me and acknowledged that the signature on the record presented is his/her signature and that he/she voluntarily executed the foregoing instrument for the purpose stated therein and in the capacity indicated and with full authority to do so.

Witness my hand and official stamp or seal, this 16 day of November, 2021.

*Laura E. Carter*  
Notary Public

Laura E. Carter  
Printed Name

My commission expires: 1/27/2020



**EXHIBIT A****AMENDED AND RESTATED BYLAWS****OF****QUEENS COURT HOMEOWNERS ASSOCIATION, INC.****ARTICLE I  
NAME AND LOCATION**

The name of the non-profit corporation is QUEENS COURT HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located in North Carolina. Meetings of Members and directors may be held at suitable places convenient to the Members and the Board, as may be designated by the Board of Directors.

**ARTICLE II  
DEFINITIONS**

Unless otherwise specified, the words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized words shall have the same meaning as set forth in that certain Amended and Restated Declaration of Condominium for Queens Court Condominiums recorded in the Carteret County Registry, as it may be amended from time to time (collectively, "Declaration").

**ARTICLE III  
MEETINGS**

Section 1. Annual Meetings. An annual meeting of the Members must be held at least once each year.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president of the Association or by a majority of the Board, or upon written request of Owners having twenty percent (20%) of the votes in the Association.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, not less than ten (10) nor more than sixty (60) days in advance of any meeting. Notice shall be hand-delivered or sent 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, to an electronic mailing address designated in writing by the Unit Owner. The notice of any meeting shall state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any

proposal to remove a director or officer. In the case of a special meeting, the notice of meeting shall include a description of the matter or matters for which the meeting is called.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. The quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. The quorum requirement shall continue to be reduced by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted. If a meeting is adjourned to a different date, a new notice of meeting need not be given if the new date, time and place is announced at the meeting before adjournment.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, signed by the Unit Owner, and filed with the Secretary. An appointment in the form of an electronic record that bears the Member's electronic signature and that may be directly reproduced in paper form by an automated process shall be deemed a valid appointment form. A proxy is void if it is not dated. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit.

Section 6. Membership and Voting Rights. Membership in the Association shall be limited to the Owners, and every Owner of a Unit shall automatically be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from Unit ownership. The vote allocated to each Unit shall be equal to its appurtenant undivided interest in the Common Elements as set forth on Exhibit B of the Declaration. When more than one Person holds such interest in any Unit, the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit, and no fractional vote may be cast with respect to any Unit.

Section 7. Electronic Communications and Electronic Voting. The use of electronic transactions and transmissions by Owners and the Members or the Board is authorized in lieu of other forms of communication to the fullest extent allowed by North Carolina law, including without limitation, the North Carolina Condominium Act, Nonprofit Corporation Act, and Article 40 of Chapter 66 of the North Carolina General Statutes. Unless otherwise prohibited by law, the Board may adopt a web-based or other electronic-based method for Members to vote on issues coming before them. In the case of a meeting by mail as authorized by N.C. Gen. Stat. § 55A-7-08, no physical meeting of the Members shall be required. Unless otherwise permitted by law, in all other cases any electronic voting system may be used in conjunction with, but not in lieu of, the regular or special meeting called to consider the issue in question, at which meeting persons may still cast their votes in person or by proxy. If electronic voting is to be utilized, the Board must clearly identify in the meeting notice that electronic voting will be available, the method by which the Owner can access the voting option and cast the Owner's vote, and the date and time by which the electronic voting

option will close. For purposes of determining quorum, any votes cast electronically will count towards determining whether or not a quorum was present.

#### **ARTICLE IV BOARD OF DIRECTORS; SERVICE; TERM OF OFFICE**

Section 1.     Number. The affairs of this Association shall be managed by a Board of five (5) directors who shall be Members of the Association, except that during the Declarant Control Period the Board may consist of directors who are not Members of the Association.

Section 2.     Term of Office. Directors elected by the Members shall serve for a term of three (3) years. The members of the Board of Directors shall take office upon election and shall hold office until their respective successors shall have been elected by the Association.

Section 3.     Removal. Any director, except a director appointed by the Declarant, may be removed from the Board (i) with or without cause, by at least sixty-seven percent (67%) vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present or (ii) by a majority of the Board in the event that director shall be absent from three (3) consecutive meetings of the Board of Directors. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4.     Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5.     Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting if the action is taken by all members of the Board. The action shall be evidenced by one or more written consents signed by each director describing the action taken, which are to be included in the minutes or filed with the corporate records. Such consents may be in electronic form and delivered by electronic means. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 6.     Participation in Meetings. Members of the Board or of any committee that the Board appoints may participate in a meeting of the Board or committee by conference telephone, video conference, or similar method of communication, provided all persons participating in the meeting can hear each other simultaneously. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

**ARTICLE V  
NOMINATION AND ELECTION OF DIRECTORS**

Section 1. Nomination. Nomination for election to the Board of Directors may be made by any Member of the Association in advance of the meeting at which election is to take place. Nominations may also be made from the floor at the annual meeting.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws and the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. In the event the nominations for directors do not exceed the vacancies to be filled, the slate of directors may be elected by acclamation by a show of hands or voice vote.

**ARTICLE VI  
MEETINGS OF DIRECTORS**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**ARTICLE VII  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board of Directors shall have all powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Condominium Documents, and otherwise by law, including, but not limited to, the power to:

(a) establish reasonable rules and regulations concerning the use of the Common Elements and the personal conduct of the Members and their guests thereon, as well as rules and regulations concerning use of the Units. Copies of such rules and regulations and amendments thereto shall be furnished by the Board of Directors to all Members prior to the rule's effective date. Such regulations shall be binding upon the Members, their families, tenants, guests, invitees, and agents until and unless such regulation, rule, or requirement shall be specifically overruled, cancelled, or modified by the Board;

(b) impose reasonable monetary fines not to exceed one hundred dollars (\$100.00) per day per violation, or the maximum amount allowed by law, for a violation of the Condominium Documents. No such monetary fine shall be imposed except following a hearing before the Board of Directors, which shall accord to the party charged with the violation notice of the charge, opportunity to be heard and to present evidence;

(c) make or contract for the making of capital improvements upon the Common Elements;

(d) enforce the provisions of the Condominium Documents and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association or the Condominium Documents;

(e) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for an infraction of for violation of the Condominium Documents;

(f) suspend the community privileges (including use of recreational facilities, if any) of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for an infraction of for violation of the Condominium Documents;

(g) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of the Condominium Documents or by law;

(h) exercise for the Association all powers, duties and authority vested in or delegated to the Association by virtue of the Unit Ownership Act, Chapter 47A of the North Carolina General Statutes; applicable provisions of the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes; the Nonprofit Corporation Act, Chapter 55A of the North Carolina General Statutes; and by virtue of any other applicable statute;

(i) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board of Directors; and

(j) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2.      Duties. It shall be the duty of the Board of Directors to, without limitation:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a summary thereof to the Members at the annual meeting of the Members, or at any special meeting,

when such summary is specifically requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

- (b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration or by statute, levy and collect assessments;
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) cause the Common Elements to be maintained; and
- (f) pay all ad valorem taxes and public assessments relating to the Common Elements.

## **ARTICLE VIII OFFICERS**

Section 1.     Enumeration of Offices. The officers of this Association shall be a president and vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create. All officers must be Members of the Association.

Section 2.     Election of Officers; Term. The officers of the Association shall be elected annually by the Board. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. Each officer shall hold office for one (1) year unless said officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 3.     Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

Section 4.     Resignation and Removal. Any officer may be removed from office with or without cause by a majority of the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.     Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6.     Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 3 of this Article.

Section 7.     Duties. The duties of the officers are as follows:

(a)     President. The President shall preside at all meetings of the Board of Directors and the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; shall prepare, execute, certify and record amendments to the Declaration in accordance with the amendment provisions set forth therein.

(b)     Vice-President. The vice-president shall act in the place and stead of the president in the event of the president's absence or inability or refusal to act and shall exercise and discharge such other duties as may be required of the vice-president by the Board.

(c)     Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d)     Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an audit the Association books to be made by an independent public accountant upon the request of Members holding a majority of the votes in the Association; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

Section 8.     Management Company. The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policy-making authority or ultimate responsibility for those duties set out in Article VII, Section 2.

## **ARTICLE IX INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Association shall indemnify any director or officer against liabilities and reasonable litigation expenses, including attorney's fees, incurred by the director or officer in connection with any action, suit or proceeding in which the director or officer is made or is threatened to be made a party by reason of being or having been such director or officer, except in relation to matters as to which the director or officer shall be adjudged in such action, suit or proceeding to have acted in bad faith or outside the scope of the director or officer's duties, or to have been liable or guilty by reason of willful misconduct in the performance of duty.

## **ARTICLE X COMMITTEES**

The Board of Directors may appoint such committees as are authorized in the Declaration or as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Such committees may include, but are not limited to, a Nominating Committee and an Architectural Review Committee.

## **ARTICLE XI BOOKS AND RECORDS**

The books and records of the Association shall be subject to inspection by any Member in accordance with Chapter 55A of the North Carolina General Statutes. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. Such documents shall also be made available to lenders, holders, insurers and guarantors of any first mortgages or deed of trust on a Unit.

## **ARTICLE XII AMENDMENTS AND CONFLICTS**

Section 1. These Bylaws may be amended at a regular or special meeting of the Members at which a quorum is present by two-thirds of the votes cast or a majority of the votes entitled to be cast on the amendment, whichever is less.

Section 2. In the case of any conflicts, the provisions of North Carolina law, the Declaration, the Articles of Incorporation and these Bylaws, in that order, shall prevail.

## **ARTICLE XIII MISCELLANEOUS**

The fiscal year of the Association shall begin on the 1<sup>st</sup> day of January and end on the 31<sup>st</sup> day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

[End of Bylaws]

**EXHIBIT B**  
**COMMON ELEMENTS INTEREST**

<b>UNIT NUMBER</b>	<b>TYPE OF UNIT</b>	<b>ALLOCATED INTEREST</b>
1101	1 Bedroom	0.7843
1102	1 Bedroom	0.7843
1103	2 Bedroom	1.1764
1104	2 Bedroom	1.1764
1105	3 Bedroom	1.7646
1106	3 Bedroom	1.7646
1107	2 Bedroom	1.1764
1108	2 Bedroom	1.1764
1109	1 Bedroom	0.7843
1110	1 Bedroom	0.7843
1201	1 Bedroom	0.7843
1202	1 Bedroom	0.7843
1203	2 Bedroom	1.1764
1204	2 Bedroom	1.1764
1205	3 Bedroom	1.7646
1206	3 Bedroom	1.7646
1207	2 Bedroom	1.1764
1208	2 Bedroom	1.1764
1209	1 Bedroom	0.7843
1210	1 Bedroom	0.7843
1301	1 Bedroom	0.7843
1302	1 Bedroom	0.7843
1303	2 Bedroom	1.1764
1304	2 Bedroom	1.1764
1305	3 Bedroom	1.7646
1306	3 Bedroom	1.7646
1307	2 Bedroom	1.1764
1308	2 Bedroom	1.1764
1309	1 Bedroom	0.7843
1310	1 Bedroom	0.7843
2101	1 Bedroom	0.7843
2102	1 Bedroom	0.7843
2103	2 Bedroom	1.1764
2104	2 Bedroom	1.1764
2105	2 Bedroom	1.1764
2106	2 Bedroom	1.1764
2107	1 Bedroom	0.7843
2108	1 Bedroom	0.7843
2201	1 Bedroom	0.7843
2202	1 Bedroom	0.7843

2203	2 Bedroom	1.1764
2204	2 Bedroom	1.1764
2205	2 Bedroom	1.1764
2206	2 Bedroom	1.1764
2207	1 Bedroom	0.7843
2208	1 Bedroom	0.7843
2301	1 Bedroom	0.7843
2302	1 Bedroom	0.7843
2303	2 Bedroom	1.1764
2304	2 Bedroom	1.1764
2305	2 Bedroom	1.1764
2306	2 Bedroom	1.1764
2307	1 Bedroom	0.7843
2308	1 Bedroom	0.7843
3101	1 Bedroom	0.7843
3102	1 Bedroom	0.7843
3103	2 Bedroom	1.1764
3104	2 Bedroom	1.1764
3105	2 Bedroom	1.1764
3106	2 Bedroom	1.1764
3107	1 Bedroom	0.7843
3108	1 Bedroom	0.7843
3201	1 Bedroom	0.7843
3202	1 Bedroom	0.7843
3203	2 Bedroom	1.1764
3204	2 Bedroom	1.1764
3205	2 Bedroom	1.1764
3206	2 Bedroom	1.1764
3207	1 Bedroom	0.7843
3208	1 Bedroom	0.7843
3301	1 Bedroom	0.7843
3302	1 Bedroom	0.7843
3303	2 Bedroom	1.1764
3304	2 Bedroom	1.1764
3305	2 Bedroom	1.1764
3306	2 Bedroom	1.1764
3307	1 Bedroom	0.7843
3308	1 Bedroom	0.7843
4101	1 Bedroom	0.7843
4102	2 Bedroom	1.1764
4103	2 Bedroom	1.1764
4104	2 Bedroom	1.1764
4105	2 Bedroom	1.1764
4106	1 Bedroom	0.7843
4201	1 Bedroom	0.7843
4202	2 Bedroom	1.1764

4203	2 Bedroom	1.1764
4204	2 Bedroom	1.1764
4205	2 Bedroom	1.1764
4206	1 Bedroom	0.7843
4301	1 Bedroom	0.7843
4302	2 Bedroom	1.1764
4303	2 Bedroom	1.1764
4304	2 Bedroom	1.1764
4305	2 Bedroom	1.1764
4306	1 Bedroom	0.7843
	<b>TOTAL:</b>	99.9954

## EXHIBIT C

## PROPERTY SUBJECT TO THE AMENDED AND RESTATED DECLARATION

The real property that is subject to the Declaration is all that real property that was previously made subject to the Original Declaration, including, but not limited to, the following:

1. **That property subjected to the Original Declaration, described as Section I of Queens Court Condominiums, as follows:**

BEGINNING at a point located North 5 degrees 30 minutes West 452.76 feet from an existing concrete monument in the southeast corner of the tract conveyed to B.W.T. Enterprises by deed recorded in Book 473, Page 320, Carteret County Registry, also as shown on Unit Ownership Plat of Section "I", Buildings "A" & "B" of Queens Court Condominiums recorded in Map Book 10G, Page 73, aforesaid Registry, and running thence South 5 degrees 30 minutes East 190.00 feet; thence South 84 degrees 30 minutes West 43.00 feet; thence North 64 degrees 58 minutes 20 seconds West 78.75 feet; thence South 60 degrees 25 minutes West 74.16 feet; thence South 84 degrees 30 minutes West 38.00 feet; thence with the western line of said property recorded in Book 473, Page 320, Carteret County Registry, North 5 degrees 30 minutes West 190.00 feet; thence North 84 degrees 30 minutes East 38.00 feet; thence South 5 degrees 30 minutes East 10.00 feet; thence North 84 degrees 23 minutes 20 seconds East 135.53 feet; thence North 84 degrees 30 minutes East 43.00 feet to the BEGINNING, containing 0.784 acres, more or less, and being all of Section "I", Buildings "A" & "B", including parking spaces and common areas, as shown on Unit Ownership Plat recorded in Plat Book 10G, Page 73, Carteret County Registry.

2. **That property subjected to the Original Declaration by amendment recorded in Book UO-38, Page 246 of the Carteret County Registry, described as Section II of Queens Court Condominiums, as follows:**

Beginning at a point located South 5 degrees 30 minutes West 1,391.04 feet from an iron pipe in the southern right-of-way margin of Reed Drive, said iron pipe being the northwest corner of the tract conveyed to B.W.T. Enterprises by deed recorded in Book 473, Page 320, Carteret County Registry, and running thence with the western line of said tract South 5 degrees 30 minutes West 165.00 feet; then North 84 degrees 26 minutes East 216.54 feet to a point in the eastern line of said tract; thence with said eastern line North 5 degrees 30 minutes West 155.00 feet to the southeast corner of the area previously described as Section "I", Buildings "A" & "B", of Queens Court Condominiums, as recorded in Map Book 10G, Page 73, aforesaid Registry, and running thence with the southern line of said Section "I", South 84 degrees 30 minutes West 43.00 feet; North 64 degrees 58 minutes 20 seconds West 78.75 feet; South 60 degrees 25 minutes West 74.16 feet; and South 84 degrees 30 minutes West 38.00 feet to the BEGINNING, containing 0.85 acres, more or less, and being all of Section "II", Queens Court Condominiums, including parking spaces and common areas.

3. **That property subjected to the Original Declaration by amendment recorded in Book UO-49, Page 435 of the Carteret County Registry, described as Section III of Queens Court Condominiums, as follows:**

Beginning at a point located South 5 degrees 30 minutes East 993.54 feet from an existing iron pipe located in the southern right-of-way margin of Reed Drive, said iron pipe being the northwest corner of the tract conveyed to B.W.T. Enterprises by deed recorded in Book 473, Page 320, Carteret County Registry, and running thence with the western line of said tract South 5 degrees 30 minutes East 147.50 feet; thence North 84 degrees 30 minutes East 38.00 feet to a point; thence South 5 degrees 30 minutes East 10.0 feet to a point; thence with the northern line of Section I, Buildings "A" and "B", of Queens Court Condominiums, as recorded in Map Book 10G, Page 73, aforesaid Registry, North 84 degrees 23 minutes 20 second East 135.53 feet to a point; thence North 84 degrees 30 minutes East 43.00 feet to a point; thence running North 5 degrees 30 minutes West 157.5 feet to a point; and then South 84 degrees 23 minutes 20 seconds West 216.53 feet to the point of beginning, containing \_\_\_ acres, more or less, and being all of Section "III", Queens Court Condominiums, including parking spaces and common areas.

4. **That property subjected to the Original Declaration by amendment recorded in Book UO-76, Page 273 of the Carteret County Registry, described as Common Areas for all of Sections of Queens Court Condominiums, as follows:**

Being all of that property, as hereinafter described, said property including all of that property described as Exhibit A in that Declaration of Unit Ownership recorded in Book UO-34, Page 439 except such areas as thereafter designated by Amendment to said Declaration, as Section 1, Section 2, Section 3 of Queens Court Condominiums and a proposed Section 4 of Queens Court Condominiums, shown as an exception below, said exception described more particularly as follows:

BEGINNING At an "X" chopped on a manhole rim, said "X" chop being located, North 84 degrees 35 minutes 50 seconds East 28.08 feet from a new iron stake, said iron stake being located, South 05 degrees 30 minutes 00 seconds East 836.00 feet from an existing iron pipe on the Southern right-of-way of Reed Drive 960 foot right-of-way), said iron pipe being located South 05 degrees 26 minutes 00 seconds East 31.79 feet from an existing nail and cap located 613.0 feet along the centerline of Reed Drive in an Easterly direction from the centerline of Coast Guard Road (60 foot right-of-way), thence from THE TRUE POINT OF BEGINNING, North 04 degrees 35 minutes 50 seconds East 159.37 feet to a new P.K. Nail; thence South 05 degrees 25 minutes 30 seconds East 156.95 feet to a new P.K. Nail in the Northern line of Section III as recorded on a plat entitled "Section III, Building C, Unit Ownership Plat" in Map Book 10-J, Page 27, Carteret County Registry; thence with the Northern line of Section III, South 84 degrees 23 minutes 20 seconds West 160.68 feet to a new P.K. Nail; thence leaving the line of the aforesaid section, North 04 degrees 57 minutes 10 seconds West 157.51 feet to the point and place of beginning. Containing 0.58 acres and being a portion of the tract conveyed to B.W.T. Enterprises by Deed recorded in Book 473, Page 320, Carteret County Registry. The above land description being prepared by James E. Stewart and Associates, Inc. on December 5, 1986 from a

survey made on December 5, 1986. All courses are correct in their angular relationship to the aforesaid Map Book 10J, Page 27.

Together with an easement for ingress, egress and regress for construction purposes reserved to any owner of the exception set out above, which exception constitutes a proposed Section 4 of Queens Court Condominiums.

Together with an easement for connection to, use and maintenance of all existing water lines, sewer lines, pumping stations, wastewater treatment facilities and apparatus, all electrical, telephone and all other utilities and facilities.

5. **That property subjected to the Original Declaration by amendment recorded in Book UO-79, Page 365 of the Carteret County Registry, described as Phase IV of Queens Court Condominiums, as follows:**

BEING all of that property as shown on a map entitled "Phase 4, Queens Court Condominium" dated April 29, 1988, prepared by James E. Stewart & Associates, and recorded in Map Book 10-O, Page 111, Carteret County Registry.