

EXHIBIT V
BY-LAWS
OF
THE ASSOCIATION OF CO-OWNERS
OF
ADMIRAL'S VIEW II CONDOMINIUM
AN ASSOCIATION NOT FOR PROFIT

ARTICLE I Name.

The name of this association shall be the Association of Co-Owners of Admiral's View II Condominiums (The "Condominiums").
ARTICLE II - Purpose.

The purpose of this association shall be to provide a collective association of the Unit Owners (as hereinafter defined) of the Condominium to manage and control the Condominium and the activities of the owners therein and all things appurtenant to or related thereto and to carry out all activities and promulgate all rules and regulations and to have all responsibilities and purposes as are given to the Association of Co-Owners of the Condominium in the DECLARATION of the Condominium which is recorded in the Register of Deed's Office for Dare County in North Carolina, in Deed Book 312, at Page 656.

ARTICLE III - Definitions.

Whenever used herein, the following terms shall have the

following definitions:

(a) Board - means the Board of Administrators of the Association of Co-Owners of the Condominium.

(b) By-Laws - mean the By-Laws of the Association of Co-Owners of the Condominium.

(c) Common area - means the common area as defined in the said DECLARATION of the Condominium.

(d) Association of Co-Owners - means all of the owners (as hereinafter defined) of the condominium.

(e) Condominiums - means Admiral's View II Condominiums as is defined in the DECLARATION of Admiral's View II Condominiums.

(f) Declaration - means the DECLARATION of Admiral's View II Condominiums which is recorded in the office of the Register of Deeds for Dare County, North Carolina, in Deed Book 312, page 656, and Plat Book I, Page 90.

(g) Development - means Admiral's View II Condominiums as the same may be shown on maps or plats which are attached as exhibits to the DECLARATION or which may be recorded from time to time.

(h) Improvements - means and includes all buildings, out-buildings, streets, roads, driveways, parking areas, fences, retaining and other walls, landscaping, poles, antennae, and any other structure facility of any type or kind located within Admiral's View II Condominiums.

(i) Vacation Home or Condominium Home - means any living unit located within the Condominiums.

(j) Owner - means any person or legal entity who holds title to a condominium unit and any person or legal entity who has a contract to purchase a condominium unit pursuant to written agreement (in which case, the seller under said agreement shall cease to be the owner of said condominium unit under contract of sale while said agreement is in effect) and any person or entity owning an interest in any of the real property and/or any improvements thereon located within the Condominium.

(k) Mortgagee or First Mortgagee - is hereby defined as having the same definition as is given the same in the DECLARATION.

(l) Plat - means any map or plats of the Condominium or any part or parts thereon that may be recorded from time to time.

ARTICLE IV - Submission to Condominium Ownership.

That Admiral's View II Condominium is hereby submitted to the provisions of the North Carolina Unit Ownership Act and all amendments thereto and provision of said act, in all instances where said acts supply, are hereby expressly made a part of these By-Laws.

ARTICLE V - Personal Application.

All present or future owners, tenants, future tenants, or their employees or any other person that might use the facilities of the Condominium in any manner are subject to all matters, rules and regulations set forth in these By-Laws and to all rules and regulations hereinafter promulgated by the Association of Co-Owners and/or Management Firm.

The mere acquisition or rental of any unit or the mere fact of occupancy of any said units whatsoever, will signify that these By-Laws and all the rules and regulations and all provisions of the Condominiums are accepted, ratified, and will be complied with.

ARTICLE VI - Voting Majority of Owners, Quorum and Proxies.

Section 1 - Voting. Voting shall be on a percentage basis and the percentage of the vote to which the owner is entitled, is the percentage assigned to his interest in the DECLARATION and Exhibits thereto.

Section 2 - Majority. As used in these By-Laws, the term "majority of owners" shall mean those owners holding fifty-one (51%) percent of the vote in accordance with the percentages assigned in the Act. A majority of voters shall be required to adopt any decisions affecting same.

Section 3 - Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of owners as defined in Section 2 of this Article, shall constitute a quorum.

Section 4 - Proxies. Votes may be cast in person or by proxy. Proxy shall be in the form as determined by the Board and must be filed with the Secretary at least fifteen (15) days before the appointed time of a regular meeting or at least one (1) day before the appointed time of a special meeting.

ARTICLE VII - Association of Co-Owners. The owners of the units who constitute the Association of Co-Owners (hereinafter referred to as the Association) which will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments and arranging for the management of the project, pursuant to the agreement containing provisions relating to the duties, obligations, removal and compensation of the Management Firm. All such duties may, however, unless expressly prohibited by the Act of the DECLARATION, be assigned to the Management Firm by Association. Except as otherwise provided, decisions and resolutions of the Association shall require approval of a majority of owners.

Section 2 - Place of Meeting. Meetings of the Association shall be held at the office of the Management Firm within the Condominiums or such other suitable place convenient to the owners as may be designated by the Board.

Section 3 - Annual Meeting. The first annual meeting of the Association shall be held on November 30, 1981, thereafter, the annual meetings of the Association shall be held on the second Tuesday in November of each succeeding year. At such meetings, there shall be elected by ballot of the owners, a Board of Administrators in accordance with the requirements as hereinafter set forth in these By-Laws. The Owners may also transact such other business of the Association as may properly come before them.

Section 4 - Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board, or upon a petition signed by a majority of the owners and having presented same to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the Notice unless by consent of four-fifths (4/5th's) of the owners present, either in person or by proxy.

Section 5 - Notice of Meeting - It shall be the duty of the Secretary to mail a notice of the annual meeting or special meeting stating the purpose thereof as well as the time and place where it is to be held, to each owner on record. Notices of annual meetings shall be mailed at least thirty (30) days, but not more than forty (40) days prior to such meetings. Notices of special meetings shall be mailed at least five (5) days but not more than ten (10) days prior to such meetings. The mailing of a notice in this manner shall be considered "notice served".

Section 6 - Adjournment of Meetings. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or in proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7 - Order of Business. The order of business of all meetings of the owners of units shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of previous meeting.
- (d) Report of officers.
- (e) Report of committees.
- (f) Election of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New Business.

ARTICLE VIII - Board of Directors.

Section 1 - Number and qualifications. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, all of whom must be owners as hereinabove stated.

Section 2 - Powers and Duties. - The Board shall manage and control the affairs of the Association, adopt reasonable rules of order for the conduct of the meetings of the Association, and with references thereto, have sole determination upon procedural questions upon which no rules have been adopted, and select the officers of the Association. The Board may also establish committees of the Association and appoint members thereof. It may assign to such committee such responsibilities and duties not inconsistent with the provisions of these By-Laws or with law as it may deem appropriate. The Board may further issue and promulgate its rules and regulations as it deems necessary or proper to carry out the duties and responsibilities of itself and the Association as the same are determined and defined in the DECLARATION.

Section 3 - Other Duties. In the event there is no Management Agreement with a management firm, in addition to duties imposed upon these By-Laws by resolution of the Association, the Board shall further be responsible for the care, upkeep and surveillance of the Condominiums, and the common areas and facilities thereof. Collection of monthly assessments and maintenance fees from the owners and designation of the Condominium, the common areas and facilities thereof.

Section 4 - Election and term of office. At the first annual meeting of the association, the term of office of three (3) of the Administrators shall be fixed at two (2) years and the term of two (2) directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective director, his successors shall be elected to serve a term of two (2) years. The directors shall hold office until their successors have been elected, and hold their first meeting. At the first annual meeting of those nominated, the three persons receiving the greatest plurality of votes shall be elected for a term of two (2) years and the two (2) persons receiving the next highest plurality of votes shall be elected for a term of one (1) year. The number of Administrators shall be elected to equal the number of vacancies then existing. There shall be no cumulative voting allowed.

Section 5 - Qualification of Directors. Administrators shall be twenty-one (21) years of age or older and must be an owner and/or member of the Association.

Section 6 - Meetings.

(1) The first meeting of a newly elected board of Administrators shall be held within ten (10) days following the first annual meeting of the Association and at such place and at such time as shall be fixed by the Administrators at the meeting in which they were elected and no notice shall be necessary to the newly elected Administrators in order legally to constitute such a meeting, provided a majority of the whole Board shall be present.

(2) Regular meetings of the Board of Administrators may be held at such time and place as shall be determined from time to time by a majority of the Administrators. At least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Administrators shall be given to each director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such a meeting.

(3) Special meetings of the Board of Administrators may be called by the President on three (3) days notice to each administrator personally or by mail, telephone or telegraph, which notices shall state the time, place and purpose of the meeting. Special meetings of the Board of Administrators shall be called by the President or Secretary in

like manner and on like notice at the written request of at least three (3) Administrators.

(4) Before, or at any meeting of the Board, any Administrator may, in writing, waive notices of such meeting and such waiver will be deemed equivalent to the giving of such notice. Attendance by an Administrator at any meeting of the Board shall be a waiver of notice by him at the time and place thereof. If all the Administrators present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(5) Unless prohibited by law, any action which may be taken at a meeting of the Board, may be taken without a meeting if authorized in writing and signed by all the Administrators who have been entitled to vote on said action at a meeting and filed with the Secretary of the Association.

Section 7 - Quorum. Four (4) of the Administrators shall constitute a quorum to transact business of the Board and the act of the majority of the Administrators present at any meeting shall be deemed to be the act of the board.

Section 8 - Vacancies. If any vacancy exist on the Board, such vacancy shall be filled by the remaining Administrators, even though those remaining administrators might be less than a quorum. Any person or persons so elected shall serve out the expired term of the Administrator or Administrators who have been replaced.

Section 9 - Removal of Administrators. Any one of the administrators may be removed with cause at any time by a vote of the members holding majority of the votes at any special meeting called for that purpose.

Section 10 - Fidelity Bonds. The Board shall require that officers of the Association handling or responsible for Association funds furnish a fidelity bond. Premiums on such bonds shall be paid by the Association.

ARTICLE IX - Officers.

Section 1 - Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board. The Administrators may appoint assistant treasurers and assistant secretaries and such other officers as in their judgment may be necessary. No two may be held by the same person.

Section 2 - Election of officers. The officers of the Association shall be elected annually by the Board and shall hold office at the pleasure of the Board.

Section 3 - Removal of Officers. Upon the vote of a majority of the officers, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4 - President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the Association and Board; he shall have all the general powers and duties which are usually vested in the office of the President of such an association, including, but not limited to, the power to appoint committees from among the owners from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the association.

Section 5 - Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. When neither the President or the Vice-President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform the other duties as shall from time to time be imposed upon him by the Board.

Section 6 - Secretary. The Secretary shall keep the minutes of all the meetings of the Board and the minutes of all meetings of the Association. He shall have charge of such books and papers as the Board may direct. He shall, in general perform all the duties incident to the office of secretary.

Section 7 - Treasurer. The Treasurer shall have the responsibility for the Association funds and the securities which shall come directly into the hands of the Association, and shall be responsible for full keeping of accurate accounts of all receipts and disbursements and books

belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board. He shall also be responsible for delivering to the Management Firm, any and all funds of the Association which, by agreement, are to be received by the Management Firm.

ARTICLE X - Obligation of the Owners.

All owners are obligated to pay all monthly assessments and charges levied and imposed by the Association and/or by the Management Firm for such purposes as are enumerated in the DECLARATION or for which the Management Firm is given the power to assess under the Management Agreement and the DECLARATION. Such charges or assessments so levied shall be paid on or before dates affixed by resolution of the Board. Written notice of the charge and the date of payment shall be sent to each owner at the address given such owner to the Association. All common assessments shall be prorata depending upon each owner's percentage or ownership as is determined in the DECLARATION and Exhibits thereto. Such assessment shall include monthly payments to a general operating reserve in a reserve fund for replacements and all other things as required or set forth in the DECLARATION and Exhibits and as provided for in the Management Agreement, if there be one.

Section 2 - Collection and lien. The amount of assessment levied by the Association shall be paid on or before the date affixed by resolution of the Board. If not so paid, the amount of such assessment, plus any other charges thereon, including interest at the maximum limit provided by law per annum from the date delinquency and costs of collection, including attorney's fees, shall constitute and become a lien on the vacation home so assessed, when the Board causes it to be recorded in the office of the Register of Deeds for Dare County, North Carolina. Such lien rights shall be as provided for in accordance with the terms and provisions of the DECLARATION and Exhibits thereto. A notice of assessments, which shall state the amount of the assessment and such other charges and description of the vacation home which have been assessed, shall be mailed to the owner. Such notice shall be signed iether by the Secretary of the Association or by a duly authorized agent of the Management Firm. Upon payment of said assessment and charges or other satisfaction thereof, the Board shall, within reasonable time, cause to be recorded a notice stating the satisfaction and release of said lien.

Section 3 - Priority of lien. The priority of lien hereinabove set forth shall be as provided in the DECLARATION.

Section 4 - Enforcement. The lien provided for herein may be foreclosed by suit of the Association in like manner as a mortgage and in such event the Association may be a bidder at a foreclosure sale. The Association or its duly authorized agent may also pursue any other remedy against any owner owing money to it which is available to it by law, or equity for the collection of debt.

Section 5 - Proof of payment. Upon request, the Association shall furnish statements certifying that all assessments then due have been paid or indicating the amount then due.

Section 6 - Suspension. The Association or the Management Firm, if there be one, shall suspend any owner not paying assessments when due and such owner shall be refused entrance into the Condominium and use of the facilities thereof until all assessments and penalties to which the owner is subject have been paid.

Section 7 - Maintenance and Repair. Each and every owner shall perform promptly all maintenance and repair work required of individual owners by the DECLARATION and Exhibits thereto, or which, if within his own unit, if omitted, would effect the Condominiums in its entirety or in a part belonging to other owners. The Association or the Management Firm, if there be one, shall be responsible for all maintenance and repair work required of the Association in the DECLARATION. An owner shall reimburse the Association or Management Firm if there be one, for any expenditures incurred in repairing or replacing any common areas or facilities damaged by such unit owner, his family, guests or leasees.

Section 8 - Abuse of Family Units.

(1) All units shall be utilized for residential purposes only.

(2) An owner shall not make any structural modifications or alterations in his unit or located therein without approval of the Association, or if so delegated, the Management Firm. Should the Association or the Management Firm not answer such notification within fifteen (15) days, such will be construed to mean there is no objection to the proposed modification or alteration.

Section 9 - Use of common areas and facilities and restricted common areas and facilities. An owner shall not place or cause to be placed in any common area furniture, packages or objects of any kind. Such areas shall be used for no purpose other than normal transit through them or normal use of the facilities provided.

Section 10 - Right of entry.

(a) An owner shall grant the right of entry to the Management Firm or to any other person authorized by the Board or the Association to enter his unit on a regular recurring basis as the same is provided in the DECLARATION for routine maintenance and upkeep.

(b) An owner shall grant the right of entry to the Management firm or to any other person authorized by the Board or the Association to enter his unit in the case of any emergency originating in or threatening the unit, whether the owner is present at the time or not.

Section 11 - Rules of Conduct. No resident shall post any advertisement or posters of any kind on or in the project except as authorized by the Association or as is permitted in the DECLARATION.

(a) Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television and amplifiers that may disturb the other residents.

(b) It is prohibited to hang garments, rugs, etc. from the windows or from any of the sides or from any of the buildings or parts thereof.

(c) It is prohibited to throw garbage or trash outside the disposal installation provided for such purpose in the service area.

(d) It is prohibited to dust rugs, etc. from the windows or to clean rugs, etc. by being on the exterior part of any of the building.

(e) No owner, resident or leasee shall have installed or install wiring for electrical or telephone installation, television antennae, machines or air conditioning units, etc. on the exterior of the building or that protrude through the walls or roof of any building except as authorized by the Board or the Management Firm.

(f) Nothing herein contained shall limit in any manner the power of the Association, the Board, and/or the Management Firm, to issue and promulgate such additional rules and regulations as are deemed necessary or desirable for the use, occupancy, and enjoyments of the Condominiums by the owners thereof. Such rules and regulations shall be binding upon and enforceable upon the owners, their families, guests and/or leasees.

ARTICLE XI - Mortgagees.

Section 1 - Any owner who mortgages his unit or his interest therein shall notify the Association through the Management firm or the President of the Board in the event there is no Management Firm, of the name and address of his mortgagee and the Association and/or Management Firm shall maintain such information in a book entitled "Mortgagees of Units".

Section 2 - Notice of Unpaid assessments. The Association of the Management Firm shall, at the request of a Mortgagee of a unit, report any unpaid assessments due from the owner of the unit.

Section 3 - Any and all first mortgagees shall have first rights and powers granted to them by the DECLARATION and nothing herein contained shall supersede such rights and powers. In the event any right or duty or power herein delegated or granted to the Association by these By-Laws is given to a first mortgagee by the DECLARATION, or should said first mortgagee, by reason of the DECLARATION, have any voice in such decisions, then such first mortgagee is given such rights and powers and vote in such decisions as are granted in the DECLARATION.

ARTICLE XII - Compliance.

These By-Laws are set forth to comply with the requirements of the Act. In case any of these By-Laws conflict with the provisions of said statutes, it is hereby agreed and accepted that the provisions of the statutes will apply.