

*Amendment to  
Declaration of Unit  
Ownership  
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NORTH CAROLINA  
CURRITUCK COUNTY

BOOK 217 PAGE 579

DECLARATION OF UNIT OWNERSHIP  
SEASIDE VILLAS OF COROLLA, INC.  
COROLLA, NORTH CAROLINA

Seaside Villas of Corolla, Inc., a North Carolina corporation, herein called the Developer, does hereby state and declare:

**Section 1. Statement of Submission:**

A. The Developer is the record owner of the land hereinafter described and hereby declares and submits the same to the condominium form of ownership and use in accordance with Chapter 47A of the General Statutes of North Carolina, entitled "Unit Ownership Act".

1. The name by which this condominium is to be identified is **Seaside Villas of Corolla, Inc.**, located in Corolla, Poplar Branch Township, Currituck County, North Carolina.

2. The legal description of the land which is included in and submitted to condominium ownership is located near Corolla, Poplar Branch Township, Currituck County, North Carolina, and is attached hereto as Exhibit 1.

**Section 2. Definitions:**

All terms shall have the meaning as set out in Chapter 47A of the General Statutes of North Carolina and, in addition thereto and for clarification, the following terms shall have the following meanings:

A. "Apartment unit" means "condominium unit" or "unit" and is synonymous therewith as defined in G. S. 47A-3(12).

B. "Association" or association of unit owners" means all of the unit owners acting as a group in accordance with the Bylaws and Declaration. This term means Seaside Villas of Corolla, Inc., a non-profit corporation organized and existing under the laws of North Carolina.

C. "Articles" means the Articles of Incorporation of Seaside Villas of Corolla, Inc.

D. "Common Area" or "common elements" means all that portion of the condominium property which is not included in the individual condominium units and as further defined in G. S. 47A-3(2).

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**E.** "Common expenses" means expenses for which the condominium unit owners are liable to the Association as defined in the North Carolina Unit Ownership Act and in the condominium documents and includes:

1. All sums lawfully assessed against the unit owners by the association of unit owners;

2. Expenses of administration, maintenance, repair or replacement of the common area and facilities and association owned property;

3. Expenses agreed upon as common expenses by the association of unit owners;

4. Expenses declared common expenses by the provisions of Chapter 47A of the General Statutes, or by the Declaration or the Bylaws;

5. Hazard insurance premiums, if required.

**F.** "Bylaws" means the Bylaws of Seaside Villas of Corolla, Inc.

**G.** "Common profits" means the balance of all income, rents, profits and revenues from the common areas and facilities remaining after the deduction of the common expenses.

**H.** "Condominium" means the ownership of single units in a multi-unit structure with common areas and facilities.

**I.** "Declaration" means the instrument, duly recorded, by which the property is submitted to the provisions of Chapter 47A of the General Statutes, as hereinafter provided, and as such Declaration from time to time may be lawfully amended.

**J.** "Limited common areas and facilities" means and includes those common areas and facilities which are agreed upon by all the unit owners to be reserved for the use of a certain number of units to the exclusion of the other units.

**K.** "Majority" or "majority of unit owners" means the owners of more than fifty percent (50%) of the aggregate interests in the common areas and facilities as established by the Declaration, assembled at a duly called meeting of the unit owners.

**L.** "Person" means individual, corporation, partnership, association, trustee, or other legal entity.

M. "Property" means and includes the land, the building, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended to be submitted to the provisions of this chapter.

N. "Recordation" means to file of record in the office of the County Register of Deeds in the county where the land is situated in the manner provided by law for recordation of instruments affecting real estate.

O. "Unit" or condominium unit" means an enclosed space consisting of one or more rooms occupying all or part of a floor in a building of one or more floors or stories regardless of whether it be designed for residence, for office, for the operation of any industry or business, or for any other type of independent use and shall include such accessory spaces and areas as may be described in the declaration, such as garage space, storage space, balcony, terrace or patio, provided it has a direct exit to a thoroughfare or to a given common place leading to a thoroughfare.

P. "Unit designation" means the number, letter or combination thereof, designating the unit in the declaration.

Q. "Unit owner" means a person, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns a unit within the building.

R. "Building" means a building, or a group of buildings, each building containing one or more units, and comprising a part of the property; provided that the property shall contain not less than two units.

**Section 3. Building Description:**

The condominium constructed on the hereinabove described real property consists of one (1) building, designated as Building "A". It will consist of two floors, and contain a total of eight (8) units, four (4) on the first floor and four (4) on the second floor. The buildings are constructed of 8" x 8" six pound CCA type salt-treated wood pilings set approximately eight feet into the ground with approximately four feet above ground level. Pilings are cross-braced by 2" x 8" salt-treated lumber, 2" x 12" salt-treated girders tie the pilings together to form the foundation system.

The floor system consists of double 2" x 10" No. 2 southern pine perimeter band, No. 2 southern pine floor joists, 16" on center and 1/2" CDX plywood sub-floor and 5/8" particle board underlayment.

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The exterior and double-partition interior load-bearing walls consist of 2" x 4" stud grade fir 16" on center, first and second floors, with 1/2" exterior plywood nailed vertically. On top of the sheathing will be 3/8" fireguard gypsum wallboard with tar paper and the finished exterior wall shall consist of Western Red Cedar lap siding.

Upper level units shall have a roof consisting of 1/2" CDX plywood sheathing, waterproofed with 15-pound asphalt felt and cold mop joints with buca cement. The buildings will be covered with a built-up tar and gravel finished roof.

The said buildings being more particularly described in the building plans prepared by W. Nance of Nationwide Homes and signed and sealed by E. Owen Bransford, which plans are incorporated herein as Exhibit 2 and as if fully set out. Such plans will be filed in the Unit Ownership Book of the Currituck County Registry upon filing of this declaration.

**Section 4. Apartment Designation:**

There are eight (8) condominium unit apartments, in Building "A". Each apartment is designated by a number and a letter, the number indicating the floor and the letter representing the apartment, the first floor denoted "1", the second "2", the apartments on each floor being numbered consecutively beginning with A. Each apartment shall contain approximately 982 total square feet. Each apartment or unit shall have two bedrooms, living/dining room, kitchen and two bathrooms along with a balcony located on the East side of Building "A".

Each of the condominium living units shall be known and designated by the number shown therefor on the First Floor and Second Floor Plan. Each unit shall consist of an enclosed space designed as a dwelling occupying part of a floor in a building as shown on the plans recorded as aforesaid lying between the unfinished surface on the floor and the unfinished surface of the ceiling of each floor or story of the building and between the interior finished surface (unit side) of the exterior or partition walls enclosing such unit and separating the same from other units, corridors, stairways, and other common elements. The balcony adjoining each unit shall be part thereof and shall be bounded horizontally by vertical planes coinciding with the interior surface of the railings, the exterior surface of the wall of the building and extending from the wall of the building to the outer rail of the balcony, and extending vertically from the top of the unfinished floor of the balcony to a horizontal plane in extension of the bottom of the unfinished ceiling unit.

Each condominium living unit shall include the exclusive right to all space and facilities located within the area above described for each such unit including, but not limited to, partitions, doors, windows, plumbing, heating,

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electric and other facilities located within that condominium unit, except such elements hereinafter described as general common elements.

Each apartment or unit shall have access over a common area walkway leading to stairways.

**Section 5. Common Elements and Areas and Expenses Related Thereto:**

A. The general common elements or areas located in Seaside Villas of Corolla, Inc. shall be as follows:

1. All of the land in the premises above described in Section 1 hereof, including all appurtenant rights thereto, shall be general common elements. All facilities located underground shall be general common elements, including any septic tank installation and associated pumps, pipes, tanks, drainfields and lines, and waste treatment facilities and systems associated therewith.

2. At the ground level and extending thereupwards, all of the area of said premises not included in the condominium units as described in Section 4 hereto and all facilities not located in said condominium area, shall be general common elements.

3. Any lighting facilities, equipment and wiring installed to illuminate the above general common elements and all electric lines, both primary and secondary, leading to but exclusive of the individual unit electric meter, shall also be general common elements. The electric meter attached to each unit is hereby declared to be a part of said unit and not a general common element.

4. In addition, those items set out in G. S. 47A-3(2), except as herein reserved or excepted, shall be general common elements.

5. Also included as general common elements are water supply lines to the individual common units, vent lines, plumbing facilities, sanitary sewerage lines, waste pipes and vents, located outside the individual condominium units.

B. Each condominium unit or apartment owner shall own a share in the common elements and in any surplus funds possessed by Seaside Villas of Corolla, Inc., and shall be liable for the common expenses as follows:

Building	Unit	Fair Market Value	Proportionate Share
A	1-A	\$ 79,000.00	1/8 (12.50%)
A	1-B	79,000.00	1/8 (12.50%)
A	1-C	79,000.00	1/8 (12.50%)
A	1-D	79,000.00	1/8 (12.50%)
A	2-A	79,000.00	1/8 (12.50%)
A	2-B	79,000.00	1/8 (12.50%)
A	2-C	79,000.00	1/8 (12.50%)
A	2-D	79,000.00	1/8 (12.50%)
<b>Total:</b>	<b>1</b>	<b>\$ 632,000.00</b>	<b>100%</b>

Section 6. Limited Common Elements or Areas:

There are no limited common elements or areas in Seaside Villas of Corolla, Inc.

Section 7. Easements:

A. Perpetual Non-Exclusive Easement in Common Areas. The common elements or areas shall be, and the same are hereby declared to be subject to a perpetual non-exclusive easement, which easement is hereby created in favor of all of the apartment or unit owners in the condominium for their use and for the use of their immediate families, guests, invitees and licensees, and for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended. In addition, this said easement shall run in favor of the Developers, the condominium Association, and all unit owners and may be used for ingress and egress, for the providing of electric power, telephone, sewer, water and other utility services and lighting facilities, including but not limited to television transmission facilities, security services, and facilities connected therewith.

B. Encroachment Easement. The entire condominium property, including common areas and individual condominium units or apartments shall be subject to easements or encroachments which now exist or hereafter may exist, caused by the settlement or movement of the building, or caused by minor inaccuracies in construction or reconstruction, which encroachments shall be permitted to remain undisturbed and which said easement shall run in favor of each individual condominium unit owner, the Association, and the Developer.

Section 8. Statement of Purpose and Restrictions as to Use:

A. Seaside Villas of Corolla, Inc. is a resort type condominium and shall be used for single family residences, vacation or resort living units by the owner, his family, servants and guests, or tenants and lessees, their servants and guests, and for no other purposes. No condominium unit may be used for a commercial, professional or home business enterprise or as a hotel or motel, provided, however, that this section will not prevent any unit owner from renting or leasing his condominium unit either himself or through his agent. Nor shall it prohibit the sale of time intervals of ownership by owner of any unit.

B. Each condominium unit is subject to alienation, mortgage or transfer as is any other real property located within the State of North Carolina.

C. The space within any of the condominium units and common elements shall not be further subdivided and any instrument, whether a conveyance, mortgage, deed of trust or otherwise, which describes only a portion of

the space within any apartment shall be deemed to describe the entire apartment owned by the person, firm or corporation executing such instrument.

D. No condominium unit owner shall show any sign, advertisement or notice on any of the common elements, windows, porches or balconies, or upon his condominium unit and shall erect no exterior antenna or aerial upon any portion or any part of his apartment or on any of the common elements.

There shall be no access to or use of the roof areas except for maintenance and upkeep of the building.

E. An individual condominium unit owner may keep a pet or pets in his unit, but only under the regulations as promulgated by the Association from time to time, and no person may keep any other animals, livestock or poultry nor may any of the same be raised, bred or kept upon any portion of the condominium property, including the common elements, balconies and terraces. The Association shall have the authority to declare any pet or pets a nuisance and may cause the owner thereof to remove the same from the condominium property.

F. No apartment or unit owner shall permit or suffer anything to be done or kept in his unit which will increase the insurance rates on his unit or the common elements, or which will obstruct or interfere with the rights of other unit owners or the Association, or any other unit owners by reasonable noises, odors or otherwise; nor shall an individual unit owner commit or permit any nuisance, immoral or illegal act in his unit or on the common elements.

G. No trailer, tent, storage shed, garage or other similar outbuilding or structure shall be placed on the property at any time, either temporarily or permanently excepting that individual boat trailers, not exceeding the size of one parking space, may be permitted provided said parking space or area is properly assigned to the individual unit owner who owns the said boat trailer or with the express written consent of any other unit owner for the use of his assigned parking space therefor.

H. No condominium unit owner shall make structure modifications or alterations in his unit or the permanent fixtures therein unless he has previously obtained approval therefor in writing from the Board of Directors of the Association, provided further, no garbage disposal unit may be approved or installed until a municipal sewerage system is installed in the County of Currituck or a private sewerage treatment and disposal system has been approved and sanctioned by the North Carolina Board of Water and Air Resources for the using of garbage disposal units in conjunction therewith.

I. Unit owners shall abide by and be subject to such rules and regula-

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tions as may be adopted by the Association and as may be set out herein or in the Bylaws of the Association as the same from time to time may be amended.

Section 9. Use and Transfer of Parking Spaces:

A. The Developer shall assign the use of two (2) particular parking spaces to a particular condominium unit at the time the unit is originally acquired from the Developer. The assignment of use shall be made by describing the particular parking space by reference thereto in a book entitled "Parking Space Assignments", which book shall be maintained by the Developer until such time as the Developer transfers authority to the Association. The Association shall maintain said book, which book shall be for the purpose of listing the assignee of each parking space and the transfer thereof. Each transfer shall be recorded in the book and the owner of the unit to which its use is assigned shall have the exclusive right to the use thereof. Upon a conveyance of or passing of title to the condominium unit to which said parking space is assigned, the owner of the said unit making the conveyance shall deliver notice of transfer thereto to the Association, which shall thereupon cause to be executed in the name of the Association a new assignment in the assignment book.

B. Parking spaces may be separately transferred upon the following conditions:

1. At any time a parking space may be surrendered or transferred by a unit owner to the Association.

2. The use of a parking space may be transferred by a unit owner to any other unit owner within the condominium provided that written notice thereof, executed by the transferor and the transferee shall be submitted to the Association, which shall record such transfer in the assignment book.

3. The Association shall have the absolute right to assign parking spaces assigned or transferred to the association and requests for the assignment or parking spaces held by the Association shall be considered by the Association on a first-come first-served basis or on such other terms and conditions as may be adopted by the Association.

C. No trucks used for commercial purposes or trucks over one-half ton capacity may be parked overnight. Only vehicles bearing current licenses and registration tags may be parked overnight. The Association shall have the right to authorize the towing away of any violating vehicles with costs to be borne by the owner or operator thereof.

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Section 10. Maintenance and Alteration of Apartments:

A. The Association shall maintain, repair and replace all portions of the condominium building, except interior surfaces and walls, contributing to the support of the apartment building, which portions shall include but not be limited to the outside walls of the apartment building and all fixtures, including plumbing and electrical fixtures, on the exterior thereof; boundary walls of apartments; floor slabs and roofs; and load-bearing columns and load-bearing walls.

B. The responsibility of the apartment unit owner shall be:

1. To maintain, repair and replace at his expense all portions of his apartment unit except the portions to be maintained, repaired and replaced by the Association.

2. Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the condominium building.

3. To repair any frozen pipes, repair any stopped sewer and sink lines, to repair any heating and air conditioning equipment located within an apartment unit, and to replace any broken window panes or doors that serve an individual apartment unit.

4. To promptly report to the Association any defect or need for repairs, the responsibility for which is that of the Association.

C. An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament.

Section 11. Maintenance and Alterations of Common Elements and Association Property:

A. The maintenance and operation of the common elements and property, real and personal, owned by the Association shall be the responsibility and expense of the Association.

B. After the completion of the improvements, including the common elements which are contemplated by this Declaration, there shall be no alteration or further improvement of the real property constituting the common elements without prior approval in writing by the owners of not less than 75% of the common elements and any such alteration or improvement shall not directly interfere with the rights of any unit owner without first obtaining his written consent. There shall be no charge in the shares and rights of any unit

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owner in the common elements which are altered or further improved, whether or not such unit owner contributes to the cost thereof, except by an Amended Declaration.

Section 12. Assessments:

A. Assessments against apartment unit owners for common expenses shall be made pursuant to G. S. 47A-12 and the Bylaws of the Association and shall be allocated as set forth in Section 5, paragraph B of this Declaration.

B. Any sums assessed by the Association for the share of the common expenses chargeable to any unit, and remaining unpaid for a period of thirty (30) days or longer, shall constitute a lien on such apartment unit when filed for record in the office of the Clerk of the Superior Court of Currituck County by the Association under the provisions of Article 8 of Chapter 44 of the North Carolina General Statutes and any amendments or supplements thereto. The lien created herein shall be prior to all other liens except (a) liens for real estate taxes due and unpaid, (b) all sums unpaid on deeds of trust and other encumbrances recorded against the unit prior to the docketing of this lien, and (c) materialmen's and mechanic's liens.

C. A lien created pursuant to paragraph B hereof may be enforced by suit by the Board of Directors of the Association, acting on behalf of the apartment unit owners, in like manner as a foreclosure of a deed of trust or mortgage of real property. The Board of Directors of the Association, acting on behalf of the apartment unit owners, may maintain a suit to recover a money judgment for unpaid common expenses without foreclosing or waiving the lien securing said common expenses. The unit owner must be responsible for all court costs, interest and reasonable attorney's fees incurred in the collection, by foreclosures or otherwise, of said lien for common expenses. Except for purchasing at foreclosure as herein stated, the Association shall not purchase or own a condominium unit.

D. Any sum assessed by the Association for the share of the common expenses due prior to the acquisition of title to an apartment unit pursuant to a foreclosure proceeding of a mortgage or deed of trust shall not be assessed against the mortgagee of the mortgage or deed of trust of record who forecloses said mortgage or other purchaser of the apartment unit as a result of the foreclosure of a mortgage. Any sums of a mortgage shall be collectible out of the proceeds thereof or from the former owner, or if not collectible, from all apartment unit owners, including the purchaser at the foreclosure sale, in the proportions which their shares in the common elements bear to each other.

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E. No apartment unit owner may exempt himself from contributing toward the common expenses by waiver of the use or enjoyment of the common expenses and facilities or by abandonment of the apartment unit belonging to him.

**Section 13. Association:**

The operation of the condominium shall be by Seaside Villas of Corolla, Inc. herein called the Association, a non-profit corporation under the laws of North Carolina which shall be organized and shall fulfill its functions pursuant to the following provisions.

A. The members of the Association shall be the condominium unit owners.

B. The Association shall be incorporated under the Articles of Incorporation in the form attached as Exhibit 3, but the Articles of Incorporation may be amended as permitted by law without amending this Declaration.

C. The initial Bylaws of the Association shall be in the form attached as Exhibit 4, but may be amended as therein provided or as permitted by law without amending this Declaration, except as required by law.

D. The share of a member in the Association cannot be assigned, hypothecated or conveyed in any manner except as an appurtenance to such member's apartment unit.

Whenever the decision of an apartment unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person, in person or by proxy who would cast the vote of such owner if in an Association meeting. Where any unit is owned as a tenancy in common or as a tenancy by the entirety, said tenants may determine between or among themselves how the vote to which they are entitled shall be cast, but the chairman of the meeting of the Association shall not accept any division of a vote that said owners would otherwise be entitled to cast if said tenants do not unanimously agree between or among themselves how their vote should be cast.

**Section 14. Units Taxes Separately:**

Each condominium unit and its percentage of undivided interest in the common areas and facilities shall be deemed to be a parcel and shall be separately assessed and taxed by each assessing unit and special district for all types of taxes authorized by law including but not limited to special ad valorem levies and special assessments. Each unit holder shall be liable solely for the

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amount of taxes against his individual unit and shall not be affected by the consequences resulting from the tax delinquency of other unit holders. Neither the building, the property nor any of the common areas and facilities shall be deemed to be a parcel.

**Section 15. Insurance:**

A. Insurance policies upon the condominium property covering the items described in paragraph B of this section shall be purchased by the Association for the benefit of the Association and the apartment unit owners and their mortgages as their interests may appear. Such policies and endorsements shall be issued in the name of and deposited with the Board of Directors of the Association as trustee for each of the apartment unit owners in the percentage of interest of each apartment unit owner established in this Declaration in Section 5.

B. Insurance shall cover the following:

1. All buildings and improvements upon the land and all personal property included in the common elements shall be insured in an amount equal to the maximum insurable replacement value without deduction for depreciation, as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, including flood insurance and such other risks as are customarily covered with respect to buildings similar to the buildings on the land, such as vandalism and malicious mischief.

2. Public liability insurance in such amounts and with such coverages as shall be required by the Board of Directors of the Association, and with a cross-liability endorsement to cover liabilities of the apartment unit owners as a group to an apartment unit owner.

3. Workmen's Compensation as required by law.

4. Such other insurance as the Board of Directors of the Association may determine from time to time to be desirable.

C. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

D. The Board of Directors of the Association, acting on behalf of the apartment unit owners, is hereby irrevocably appointed agent for each apartment owner to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payment of claims.

E. All apartment unit owners and mortgagees of apartment unit owners shall be furnished copies of each insurance policy purchased by the Association, showing the name of the insurance trustee, the name of the insurance company, the policy number, the effective date and the expiration date of the policy, the total amount of the policy and the name and address of the insurance agent issuing the policy. The copy shall also provide that the apartment unit owner and the mortgagee of each apartment unit owner shall be furnished notice of any change in or cancellation of the policy within thirty (30) days prior to the effective date of said change or cancellation.

F. Each apartment unit owner shall have the right to insure his own apartment unit for his own benefit, though this provision will not alter or vary the requirement that the Association purchase insurance on the building and improvements in the condominium. Any apartment unit owner that has made, or does make, permanent improvements within his apartment unit that have become or will become affixed to the realty and who desires additional specific contingent insurance on such improvements, may request the Association's insurance trustee to include this coverage as a separate item in the standard improvements and betterments clause of the Association's policy, the premiums for said additional coverage to be paid in advance by the apartment unit owner so requesting the coverage at his own expense and said premiums shall not be a portion of the common expenses of the Association. The Association's insurance trustee may not unreasonably deny such a request, but it shall not be liable for failure to see that such additional insurance is properly issued.

G. The Association will not purchase or obtain insurance to cover the personal property of an apartment unit owner, nor will the Association purchase or obtain insurance to cover the individual liability of an apartment unit owner for injuries and damages suffered by anyone within an apartment unit if said injuries or damages are not a liability of the Association.

**Section 16. Repair and Replacement of Destroyed Property:**

A. Damage to or destruction of the building and improvements shall be promptly repaired and restored by the Board of Directors of the Association using the proceeds of insurance for that purpose. If there is a deficiency in the proceeds of the insurance policies, the apartment unit owners shall be assessed, as a common expense, the difference between the amount of the insurance proceeds and the amount necessary to repair, rebuild or replace the damaged building or improvement to its original condition.

B. All repairs or reconstruction shall be made substantially in accordance with the plans and specifications used for the original structures or buildings.

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C. If the building shall be more than two-thirds (2/3) destroyed by fire or other disaster and the owners of three-fourths (3/4) of the units duly resolve not to proceed with repair or restoration, then and in that event:

1. The property shall be deemed to be owned as a tenancy in common by the unit owners.

2. The undivided interests in the property owned by the unit owners as tenants in common which shall appertain to each unit owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities;

3. Any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the unit owner in the property as provided herein;

4. The property shall be subject to an action for sale for partition at the suit of any unit owner, in which event the net proceeds of sale, together with the net proceeds of insurance policies, if any, shall be considered as one fund and shall be divided among all the unit owners in proportion to their respective undivided ownership of the common areas and facilities, after first paying out of the respective shares of unit owners, to the extent sufficient for that purpose, all liens on the unit of each unit owner; and

5. All real property owned by the Association itself shall be transferred by recordable instrument to the individual unit owners in the same proportions as their ownership in the common areas appears.

D. Any proceeds remaining from any insurance policies after damages for which proceeds have been paid for repair or restoration has been completed, shall be paid to the Association to be applied to common expenses.

E. If damage occurs only to those parts of an apartment unit for which the responsibility of maintenance and repair is that of the apartment unit owner as provided in Section 10, then the apartment unit owner shall be responsible for construction and repair after casualty.

**Section 17. Compliance and Default:**

A. Each apartment unit owner shall be governed by and shall comply with the terms of this Declaration, the Bylaws of the Association and the regulations adopted pursuant thereto, and by such documents and regulations as the same may be amended from time to time. A violation or default shall entitle the Association, or other apartment unit owners, to the relief described

in paragraph D of this section in addition to the remedies provided by the Unit Ownership Act.

B. An apartment unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by this act, neglect or carelessness or by that of any member of his family or his or their guests, tenants, employees, agents or lessees. This provision shall apply even though the maintenance, repair or replacement would otherwise be a common expense to be paid by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment or an apartment unit or its appurtenances.

C. The failure of the Association or any apartment unit owner to enforce any covenant, restriction or other provisions of this Declaration, the Bylaws of the Association or the regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

D. Any unit owner, the manager, Board of Directors of the Association or a combination of unit owners may invoke any appropriate civil remedy to enforce the terms of this Declaration or by Bylaws of the Association.

#### Section 18. Amendments

This Declaration may be amended by the Association in the following manner:

A. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the members of the Association at which a proposed amendment is to be considered.

B. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by any member of the Association. Directors and members not present in person or by proxy at any meeting considering the amendment may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be by not less than 75% of the entire membership of the Association.

C. No amendment shall discriminate against any apartment unit owner or against any apartment unit or class or group of apartment units unless the apartment unit owners so affected shall consent. No amendment shall change any apartment unit's share in the common elements appurtenant to it, nor increase the apartment unit owner's share of the common expenses unless the record owner of the apartment unit and all record owners of liens thereon shall join in the execution of the amendment.

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D. A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the office of the Currituck County Register of Deeds.

**Section 19. Agent for the Service of Process:**

James E. Ezzell, Jr., whose address is 201 Forest Hill Avenue, Rocky Mount, North Carolina 27801, is hereby designated as the agent upon whom service may be made in any action or proceeding brought against the condominium.

**Section 20. Termination:**

A. This condominium may be terminated by all of the apartment unit owners executing an instrument for that purpose to be recorded in the Currituck County Public Registry. Said instrument must also include the consent of all holders of liens on apartment units, or must include the consent of all holders of liens on apartment units that his or its lien may be transferred to the percentage of the undivided interest of the apartment unit owner subsequent to termination.

B. When a termination has been effected as herein provided, all the property previously subject to the Unit Ownership Act shall be deemed to be owned by all of the apartment unit owners as tenants in common, including those parcels of land over which an apartment unit is situated. And further, the Association, prior to dissolution, shall convey to all the unit owners, as tenants in common, all real property owned by the Association by a duly executed deed of conveyance. Each tenant's undivided interest shall be that percentage of the undivided interest previously owned by such apartment unit owner in the common elements and facilities.

**Section 21. Status of Developer:**

A. Upon initial creation of Seaside Villas of Corolla, Inc., the Developers shall appoint the Board of Directors therefor. Thereafter, the condominium Association Board of Directors shall be duly elected as provided in the Bylaws.

B. For as long as the Developers are the record owner of one or more condominium apartment units which remain unsold, the Developers shall be responsible for and pay their pro-rata portion of the common expenses as determined by the Association.

C. Until the Developers have sold all of the apartment units, neither the condominium unit owners nor the Association nor the use of the condo-



minium property shall interfere with the completion of the contemplated improvements and sale of the condominium units. The Developers may make use of the unsold condominium apartment units and common areas as may facilitate completion of the construction thereof and sale, including but not limited to the maintenance of a sales office, model apartment, the showing of the property and displaying of advertising signs.

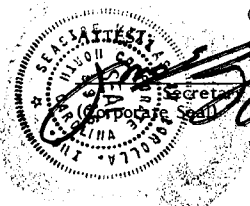
Section 22. Severability:

If any provision of this condominium declaration or any of the condominium documents is held to be invalid or unconstitutional by a court of competent jurisdiction, the validity of the remainder of this Declaration and the other condominium documents shall not be affected thereby.

IN WITNESS WHEREOF, Seaside Villas of Corolla, Inc., has caused this instrument to be executed in its name by its President, attested by its Secretary, and its corporate seal to be hereto affixed, this the 21<sup>st</sup> day of July, 1986.

SEASIDE VILLAS OF COROLLA, INC.

William D. Ed  
President



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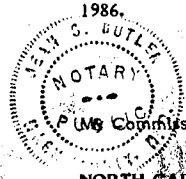
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NORTH CAROLINA  
NASH COUNTY

I, Jeann S. Butler, a Notary Public in and for the afore-  
said State and County, do certify that James E. Ezzell, Jr.  
personally appeared before me this day and acknowledged that he is the  
Secretary of Seaside Villas of Corolla, Inc., and that by authority  
duly given and as the act of the corporation, the foregoing instrument was  
signed in its name by its President, sealed with its corporate seal, and attested  
by himself ~~himself~~ as its Secretary.

WITNESS my hand and notarial seal, this the 21<sup>st</sup> day of July,



Jeann S. Butler  
Notary Public

NORTH CAROLINA  
NASH COUNTY

The foregoing certificate of Jeann S. Butler, a Notary  
Public of Nash County, North Carolina, is certified to be correct.

This instrument and this certificate are duly registered at the date and  
time and in the Book and Page shown on the first page hereof.

Charles G. Dowdy BY: \_\_\_\_\_  
Register of Deeds Deputy Register of Deeds

Filed for registration on the  
15 day of September, 1986  
at 10:45 o'clock A. M.  
Charles G. Dowdy  
Register of Deeds

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EXHIBIT 1

Seaside Villas of Corolla, Township of Poplar Branch, County of Currituck,  
State of North Carolina, and more particularly described as follows;

Lot 339A5, Section F, as shown on plat of Ocean Sands,  
recorded in Currituck County Public Registry in Plat  
Book 4, Page 74.

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**E. OWEN BRANSFORD, P. E.**  
POST OFFICE BOX 2972  
GREENSBORO, N. C. 27402

BOOK 217 PAGE 598

919-288-4891

I DO HEREBY CERTIFY THAT THE FOREGOING 11 PAGES CONSISTING OF PLANS PREPARED FOR SEASIDE VILLAS OF COROLLA, INC. IN CURRITUCK COUNTY, NORTH CAROLINA IS AN ACCURATE COPY OF THE PLANS AS FILED WITH AND APPROVED BY THE GOVERNMENTAL SUBDIVISION HAVING JURISDICTION OF THE ISSUANCE OF PERMITS FOR THE CONSTRUCTION OF BUILDINGS AND THAT SUCH PLANS FULLY AND ACCURATELY DEPICT THE LAYOUT, LOCATION, CEILING AND FLOOR ELEVATIONS, UNIT NUMBERS, AND DIMENSIONS OF THE UNIT.

THIS, THE 9th DAY OF SEPTEMBER, 1986

SEAL :

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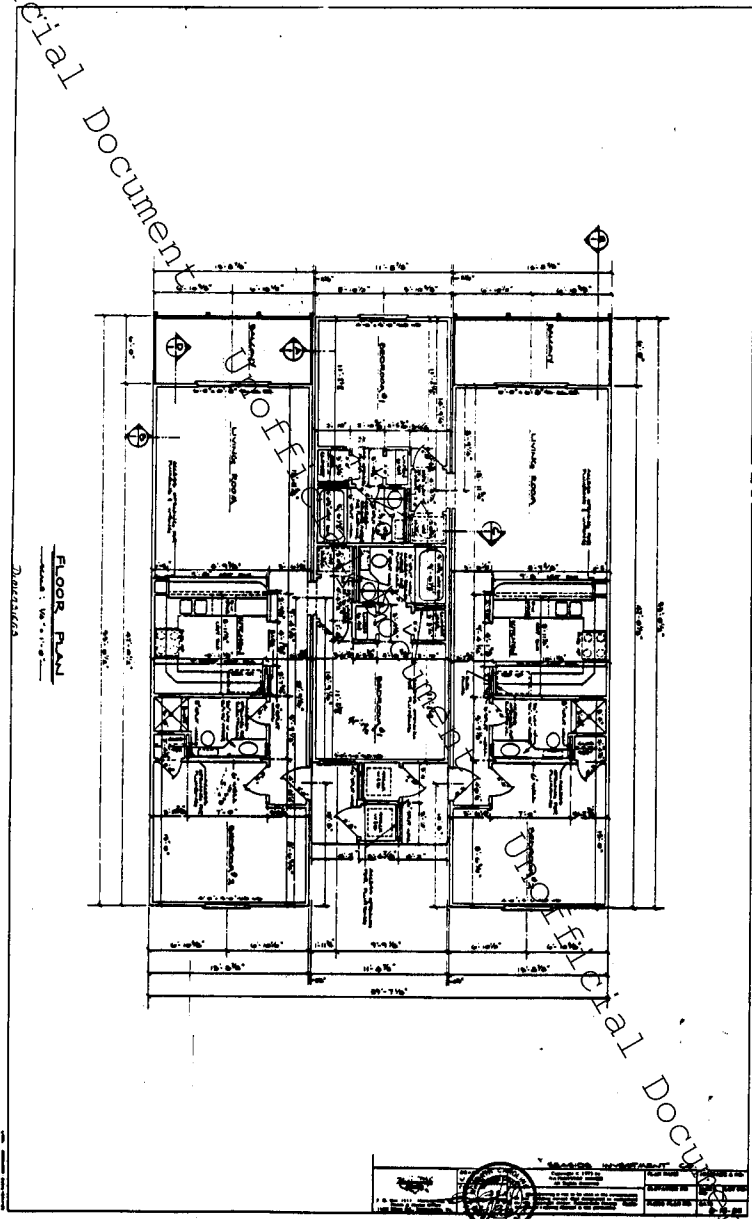
*Owen Bransford*  
NAME

*Prof. Eng.*  
TITLE



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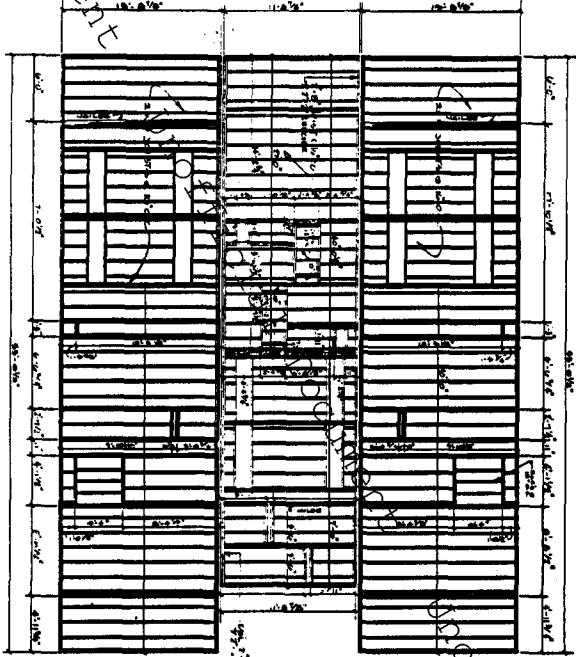


FLOOR PLAN  
Scale: 1/8" = 1'-0"

Unofficial Document

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FIRST FLOOR BRANIG

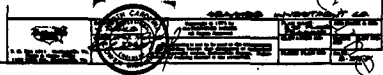


1st floor plan - see also

1st floor plan - see also

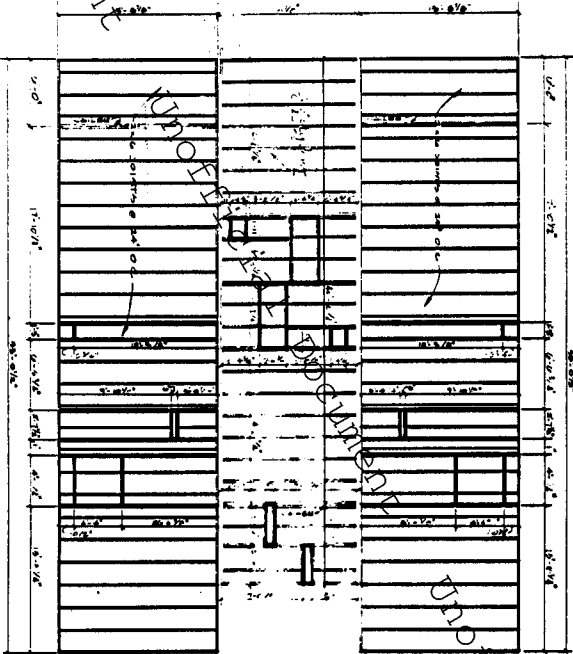
1st floor plan - see also

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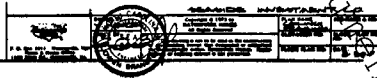


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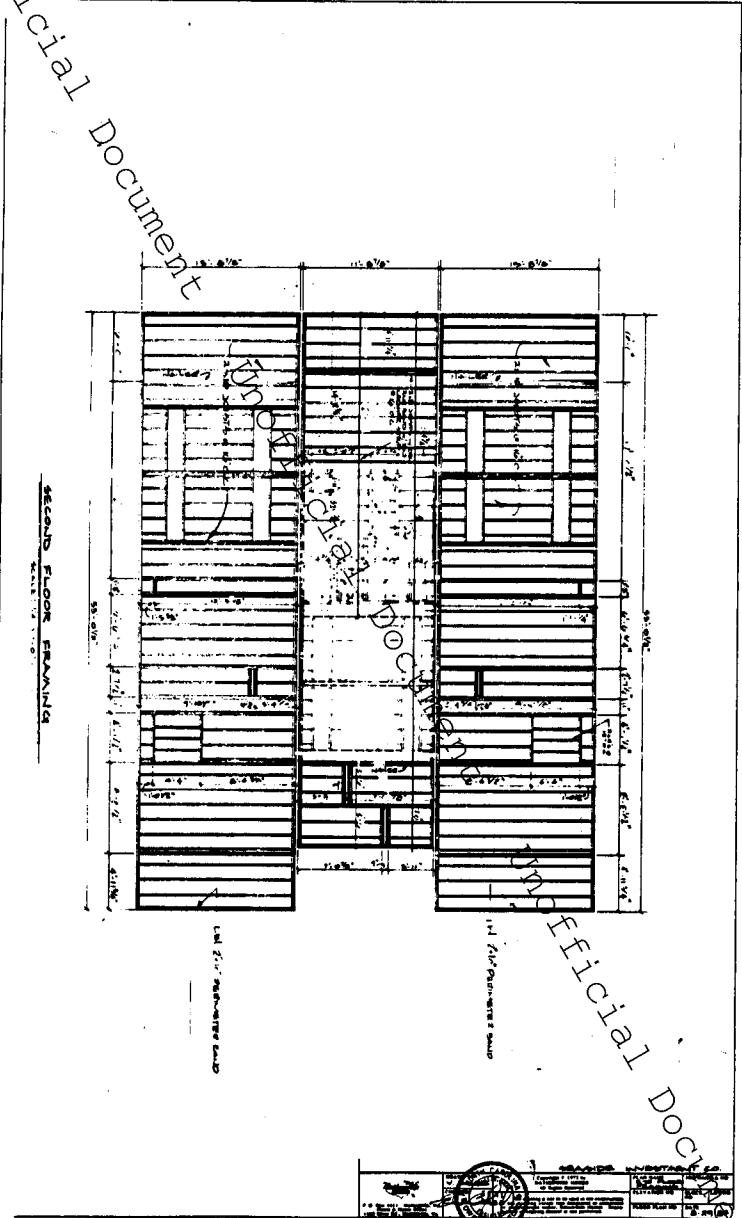
FIRST FLOOR CEILING FRAMING PLAN



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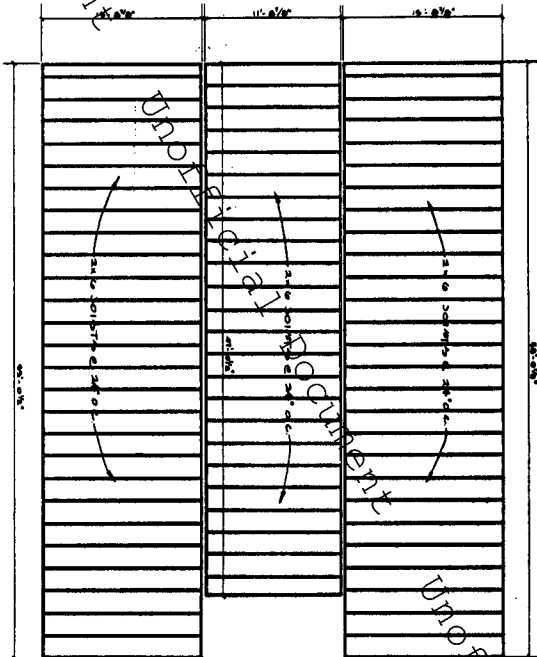
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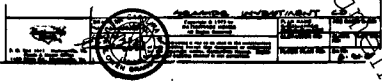


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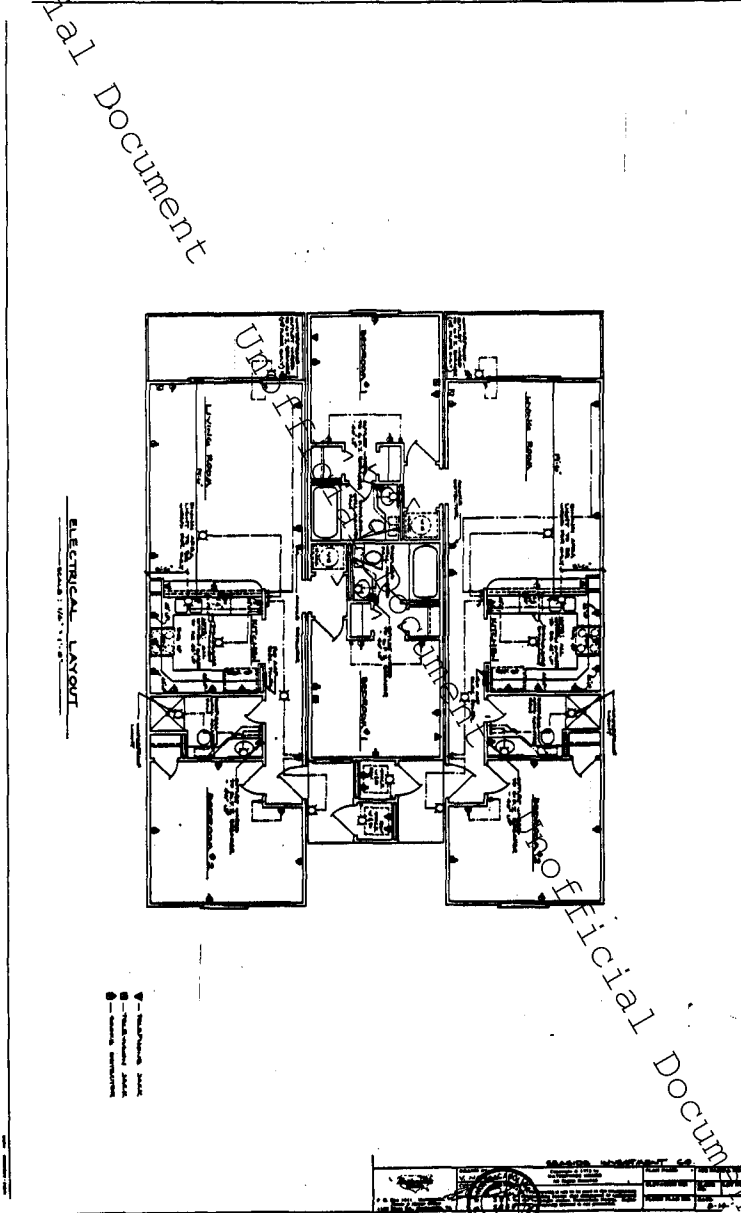
SECOND FLOOR CEILING BEAMS



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ELECTRICAL LAYOUT

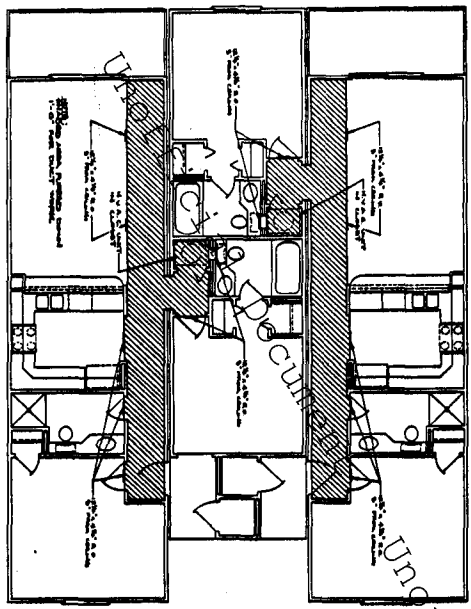
- Switching Point
- Outlet
- Panel
- Light

NO.	DESCRIPTION	DATE
1	REVISION	
2	REVISION	
3	REVISION	
4	REVISION	
5	REVISION	
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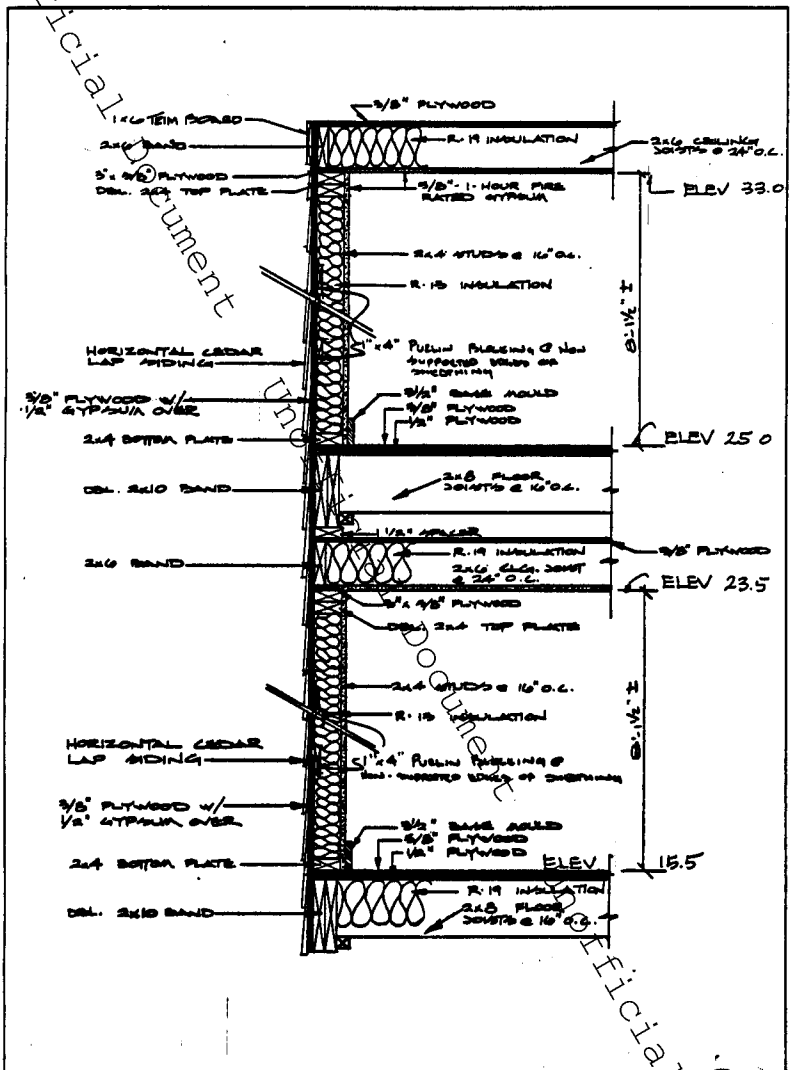
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HEAT LAYOUT - ALL UNITS  
SCALE: 1/8" = 1'-0"



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Unofficial Document



**EXTERIOR WALL SECTION**

SCALE: 1/8" = 1'-0"



**Nationwide Homes**  
 P. O. Box 2811, Martinsville, Va.  
 Plans & Home Office  
 1100 River Rd., Martinsville, Va.  
 McCombs

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**NATIONWIDE HOMES**  
 All Rights Reserved  
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 of any project that is not under the  
 copyright owner, Nationwide Homes. Repro-  
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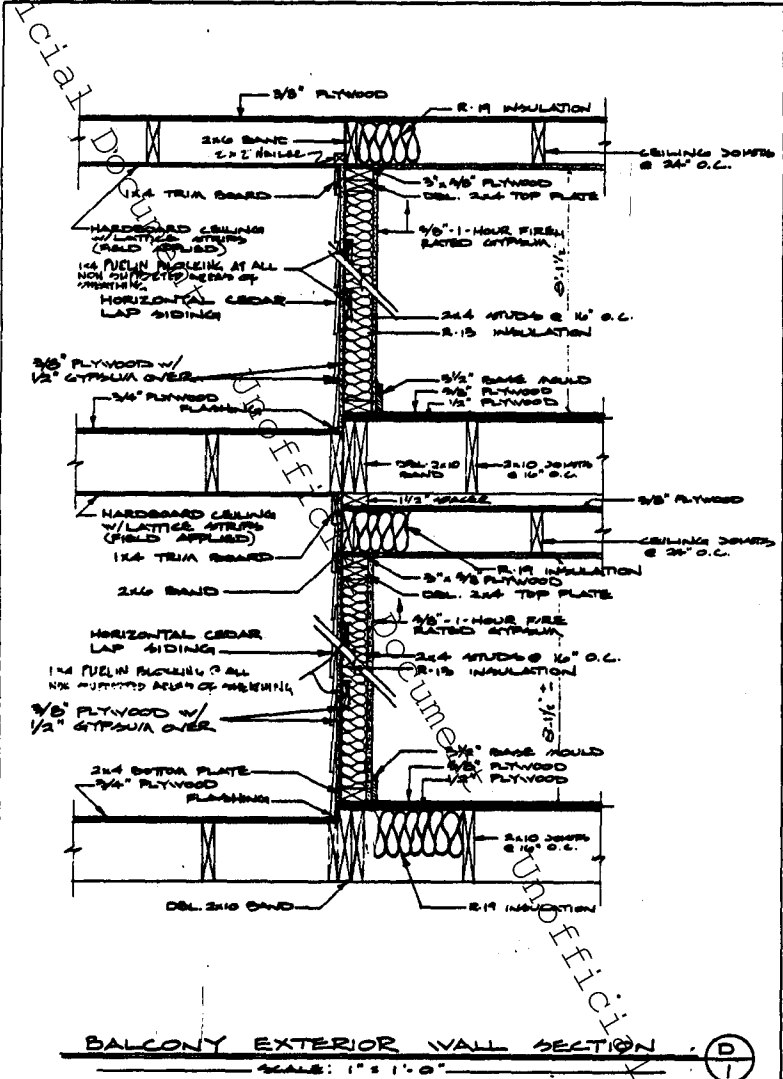
PLAN NAME:	JOB NAME & NO.:
ELEVATION NO.:	PAGE NO.:
FLOOR PLAN NO.:	DATE:

SOUTHERN PHOTO - GREENSBORO - N.C.

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**Nationwide Homes**  
 P O Box 5911, Matthews, N.C.  
 Plans & Working Office  
 1180 River Rd., Matthews, N.C.

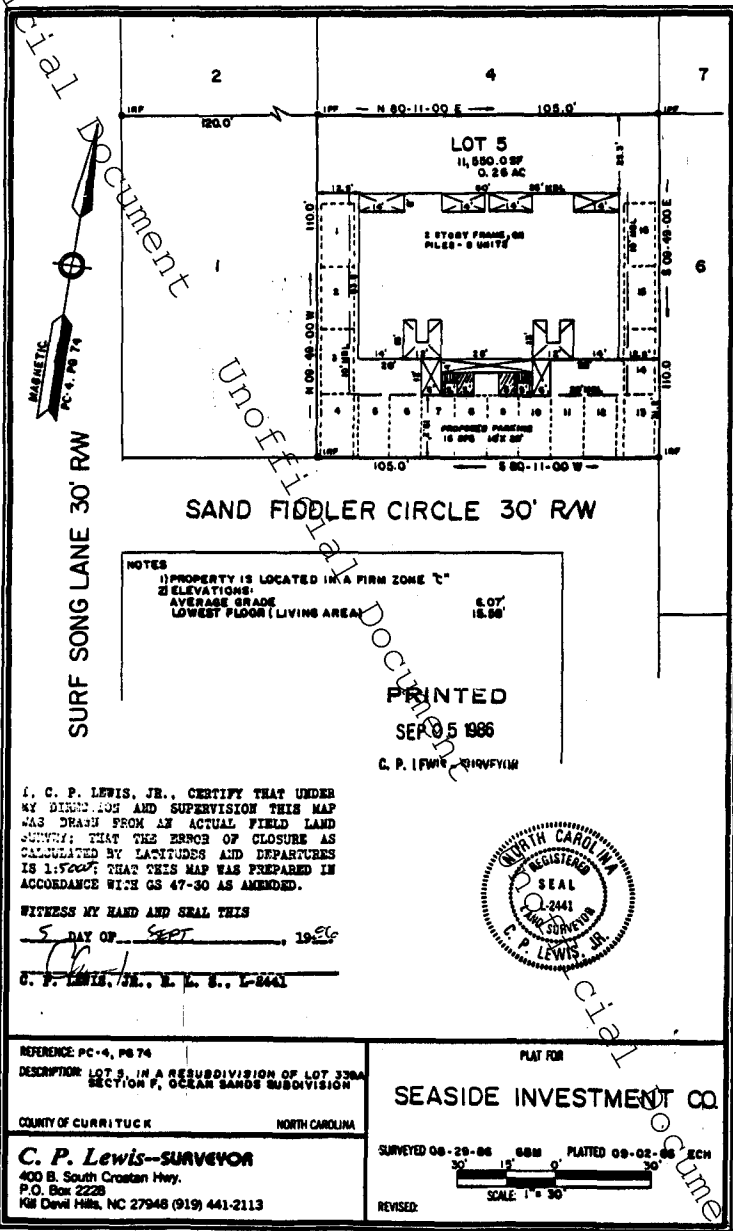
**SEASIDE INVESTMENT CO.**  
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PLAN NAME	JOB NAME & NO.
ELEVATION NO.	PAGE NO.
FLOOR PLAN NO.	DATE: 8-20-85

BOOK 217 PAGE 609

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SAND FIDDLER CIRCLE 30' RW

NOTES

1) PROPERTY IS LOCATED IN A FIRM ZONE "C"

2) ELEVATIONS:  
 AVERAGE GRADE 8.07'  
 LOWEST FLOOR (LIVING AREA) 18.50'

PRINTED  
 SEP 05 1986  
 C. P. LEWIS, JR. SURVEYOR

I, C. P. LEWIS, JR., CERTIFY THAT UNDER MY DIRECTION AND SUPERVISION THIS MAP WAS DRAWN FROM AN ACTUAL FIELD LAND SURVEY; THAT THE ERROR OF CLOSURE AS CALCULATED BY LATITUDES AND DEPARTURES IS 1.1500'; THAT THIS MAP WAS PREPARED IN ACCORDANCE WITH GS 47-30 AS AMENDED.

WITNESS MY HAND AND SEAL THIS  
 5 DAY OF SEPT 1986

C. P. LEWIS, JR., S. L. S. L-2641



REFERENCE PC-4, PG 74  
 DESCRIPTION: LOT 5, IN A RESUBDIVISION OF LOT 338A SECTION F, OCEAN SANDS SUBDIVISION

COUNTY OF CURRITUCK NORTH CAROLINA

**C. P. Lewis--SURVEYOR**  
 400 B. South Croatan Hwy.  
 P.O. Box 2229  
 K&I Devil Hills, NC 27948 (919) 441-2113

PLAT FOR  
**SEASIDE INVESTMENT CO.**  
 SURVEYED 08-29-86 60M PLATED 08-02-86 ECH  
  
 SCALE: 1" = 30'  
 REVISED:

86-3625

ARTICLES OF INCORPORATION

SEASIDE VILLAS OF COROLLA, INC.  
(NON-PROFIT CORPORATION)

DOCUMENT #304458  
DATE 07/08/86 TIME 14:37  
FILED  
THAD EURE  
SECRETARY OF STATE  
NORTH CAROLINA

This is to certify that we, the undersigned, do hereby associate ourselves into a non-profit corporation under and by virtue of the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina entitled "Non-profit Corporation Act," and the several amendments thereto, and to that end does hereby set forth:

ARTICLE I.

The name of the corporation is SEASIDE VILLAS OF COROLLA, INC.

ARTICLE II.

The period of duration of the corporation shall be perpetual.

ARTICLE III.

The purpose or purposes for which the corporation is organized are:

- (a) To maintain and administer the condominium properties and facilities of Seaside Villas of Corolla, Inc. located near Corolla, Poplar Branch Township, Currituck County, North Carolina.
- (b) To administer and enforce the covenants and restrictions and to collect and disburse the assessments and charges of said condominium; and
- (c) To conduct such services, duties and functions strictly on a non-profit basis for the mutual benefit of all owners of the condominium units with Seaside Villas of Corolla, Inc.

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ARTICLE IV.

The members of the corporation shall be the record owners of the condominium units within Seaside Villas of Corolla, Inc. The corporation shall have only one class of voting members, the rights of which members shall be designated in the bylaws of this corporation.

ARTICLE V.

The directors of the corporation shall be elected by the members in the manner provided by the bylaws.

ARTICLE VI.

The address of the initial registered office of the corporation is 201 Forest Hill Avenue, Rocky Mount, Nash County, North Carolina and the name of the registered agent at such address is James E. Ezzell, Jr.

ARTICLE VII.

The number of directors of the corporation may be fixed by the By-Laws, but shall not be less than three.

ARTICLE VIII.

The number of directors constituting the initial Board of Directors shall be three and the names and addresses of the persons who are to serve as directors until the first meeting of shareholders or until their successors are elected and qualified are:

NAME

ADDRESS

James E. Ezzell, Jr.

201 Forest Hill Avenue  
Rocky Mount, NC 27801

Willie S. Edwards

109 Rum Barrell Cove  
Rocky Mount, NC 27801

Rosalyn V. Edwards

109 Rum Barrell Cove  
Rocky Mount, NC 27801

IX.

The name and address of the incorporator is:

NAME

ADDRESS

James E. Ezzell, Jr.

201 Forest Hill Avenue  
Rocky Mount, NC 27801

In addition to the general powers granted a corporation under the laws of the State of North Carolina, the corporation shall have full power and authority to act as guarantor, surety, fiduciary, for any person, corporation or other legal entity, except as may be prohibited by law.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this the

1st day of July, 1986.

James E. Ezzell, Jr.

(SEAL)

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NORTH CAROLINA

NASH COUNTY

I, John A. Butler, a Notary Public for and in the  
aforesaid State and County do hereby certify that James E. Ezzell, Jr.  
personally appeared before me this day and acknowledged the due execution of  
the foregoing instrument.

Witness my hand and official seal this 1st day of July, 1986.

John A. Butler  
Notary Public

My Commission Expires: 8-14-88  
(SEAL)

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## BOOK 217 PAGE 614

BYLAWS OF  
SEASIDE VILLAS OF COROLLA, INC.

## ARTICLE I

Offices

The principal office of the corporation shall be 201 Forest Hill Avenue, Rocky Mount, North Carolina, and the mailing address shall be 201 Forest Hill Avenue, Rocky Mount, North Carolina 27801. The board of directors in its discretion may keep and maintain other offices within or without the State of North Carolina wherever the business of the corporation may require.

## ARTICLE II

Object

1. The purpose for which this non-profit corporation is formed is to govern the condominium property situate in the County of Currituck, State of North Carolina, described in Book \_\_\_\_\_, at Page \_\_\_\_\_, Currituck County Registry, and which property has been submitted to the provisions of the Unit Ownership Act of the State of North Carolina by recorded condominium declaration known as Seaside Villas of Corolla, Inc. (hereinafter referred to as the "project").

2. All present or future owners, tenants and any other person that might use the facilities of the project in any manner are subject to the regulations set forth in these bylaws. The mere acquisition of any of the condominium units (hereinafter referred to as "units") of the project will signify that these bylaws are accepted, ratified and will be complied with.

## ARTICLE III

Membership, Voting, Quorum, Proxies

1. Membership. Membership in this association shall be limited to record owners of the condominium units and subject to the condominium declaration recorded in Book \_\_\_\_\_ at Pages \_\_\_\_\_ through \_\_\_\_\_, Currituck County Registry (hereinafter referred to as the "declaration"). One membership

in the association shall be issued to the record owner of each condominium unit. The record owners of all condominium units collectively shall constitute all members. In the event any such unit is owned by two or more persons, whether by joint tenancy, tenancy in common or otherwise, the membership as to such condominium unit shall be joint and a single membership for such unit shall be issued in the names of all owners, and they shall designate to the association in writing at the times of issuance, one person who shall hold the membership and have the power to vote said membership. No membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding memberships assigned to new record owners of condominium units.

2. Transfer of Membership. A membership in the association and the share of a member in the assets of the association shall not be assigned, encumbered, or transferred in any manner except as an appurtenance to transfer of title to the condominium unit to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust, or other security instrument on a condominium unit as further security for a loan secured by a lien on such condominium unit. A transfer of membership shall occur automatically upon the transfer of title to the condominium unit to which the membership pertains, but the association shall be entitled to treat the person or persons in whose name or names the membership is recorded in the books and records of the association as a member for all purposes until such time as evidence of a transfer of title, satisfactory to the association, has been submitted to the secretary. A transfer of membership shall not release the transferor from liability for obligations accrued incident to such membership prior to such transfer. In the event of dispute as to ownership appurtenant thereto, title to the condominium unit, as shown in the records of the Register of Deeds of Currituck County, North Carolina, shall be determinative.

3. Voting. Each member being present in person or by proxy shall be entitled to one vote for each condominium unit owned by said member.

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4. Quorum. The presence either in person or by proxy, of at least 51 percent of the members of record shall constitute a proxy of the association for all purposes unless the representation of a larger group shall be required by law or by these bylaws, and in that event representation of the number so required shall constitute a quorum.

5. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the secretary before the appointed time of each meeting.

#### ARTICLE IV

##### Administration

1. General. The members of the association will have the responsibility of administering the project through a board of directors as herein provided.

2. Place of Meetings. Meetings of the association shall be held at such place as the board of directors may determine.

3. Annual Meetings. The first annual meeting of members of the association shall be held within 60 days after the developers have constructed and conveyed 51 percent of the total number of condominium units to be constructed within the premises as described in Article II above or within one year from the date of incorporation, whichever is sooner. Thereafter the annual meetings of members of the association shall be held on the second Tuesday in January after January 1st, or at such other time as the members may by majority vote approve. At such meeting, members shall be elected to the board of directors in accordance with the requirements set forth herein. The members may also transact such other business of the association as may properly come before them.

4. Special Meetings. Special meetings of the members for any purpose or purposes other than those regulated by statute may be called for by the president as directed by resolution of the board of directors or upon a petition signed by a majority of the members of the association. Such petition shall state the purpose or purposes or such proposed meeting.

5. Notice of Meetings. The president or secretary shall give or cause

to be given notice of the time, place and purpose of holding each annual or special meeting by mailing or hand-delivering such notice at least 10 days but not more than 20 days prior to such meeting to each member at the respective addresses of said members as they appear on the records of the association.

6. Adjourned Meetings. If the number of members necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of meeting, the chairman of the meeting, or a majority in interest of the members present in person or by proxy, may adjourn the meeting from time to time until the necessary number of association members shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

7. Waiver of Notice. Any member may at any time waive any notice required to be given under these bylaws, or by statute or otherwise. The presence of a member in person at any meeting of the members shall be deemed such a waiver.

8. Action of Members Without a Meeting. Any action required to be taken, or any action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the owners and co-owners of memberships entitled to vote with respect to the subject matter thereof.

#### ARTICLE V

##### Board of Directors

1. Number and Qualification. (a) The affairs of this association shall be governed by a board of directors consisting of three members of the association.

(b) Where a member of the association is other than a natural person, one of its officers, principals, partners or agents, may be elected to the board of directors.

2. Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the association, and

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may do all such acts and things as are not by law or by these bylaws directed to be exercised and done by the members. The powers of the board of directors shall include, but not be limited to, all the rights and duties of the board of directors as set forth elsewhere in these bylaws and the certificate of incorporation, and in the declaration applicable to the "project" described in the declaration and in Article II above, and shall also include the power to promulgate such rules and regulations pertaining to such rights and duties as may be deemed proper and which are consistent with the foregoing. The board of directors may delegate such duties as appear in the best interests of the association and to the extent permitted by law.

The Board of Directors may adopt and amend administrative rules and regulations governing the details of the operation and use of the common areas and facilities. Such regulations and amendments thereto shall become effective 30 days after the date of copy thereof has been mailed to the unit owners.

The Board of Directors may, on contract, delegate the routine operation and management of association affairs to a managing agent to be selected by and responsible to the board of directors. Such managing agent shall be an individual, firm or corporation which is knowledgeable and experienced in real estate management in the Currituck County, North Carolina area, and such agent will have a capital and operating organization reasonably sufficient in the opinion of the board of directors to enable efficient and adequate services. Among the responsibilities which may be delegated to such managing agent are the following:

(a) Furnishing to the owners of the condominium units and their tenants, at the owner's expense, maid service, building janitorial service, trash service, and related maintenance services.

(b) Inspection of the individual condominium units prior to arrival and after departure of tenants and during periods of no occupancy.

At each annual meeting the managing agent shall submit to the board of directors a comprehensive report on his activities for the preceding year.



3. Election and Term of Office. The board of directors shall consist of two (2) members, who shall be elected at the regular annual meeting of the members of the association by the members.

4. Vacancies. Vacancies on the board of directors caused by any reason shall be filled for the unexpired term of office by vote of the majority of the remaining directors even though they may consist of less than a quorum and each member so elected shall be a director until his successor is duly elected by the members of the association at the expiration of the term.

5. Removal of Directors. At any regular or special meeting of the members, any one or more of the directors may be removed, either with or without cause, at any time by the affirmative vote of 75 percent of the entire membership of record and a successor may then be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members of the association shall be given an opportunity to be heard at the meeting.

6. Compensation. No compensation shall be paid to directors for their service as directors. No remuneration shall be paid to a director for services performed by him for the association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the board of directors before the services are undertaken.

7. Meetings. There shall be a regular annual meeting of the board immediately following the annual meeting of the members of the association, and the board may establish regular meetings to be held at such other places and such other times as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the board of directors shall be given to each director, personally or by mail, telephone or telegraph, at least 10 days prior to the day named for the meeting.

8. Special Meetings. Special meetings of the board of directors may be called by the president on 10 days' notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the board of directors shall be called by the president or secretary in like manner and on like notice of the written request of at least 50 percent of the directors.

9. Waiver of Notice. Before or at any meeting of the board of directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him of the time and place thereof. If all directors are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

10. Quorum. A majority of the board of directors shall constitute a quorum for the transaction of business.

11. Adjournments. The board of directors may adjourn any meeting from day to day for such other time as may be prudent or necessary in the interest of the association, provided that no meeting may be adjourned for a period longer than 30 days.

12. Action of Directors Without a Meeting. Any action required to be taken, or any action which may be taken, at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof.

#### ARTICLE VI

##### Officers

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 the board of directors. The directors may appoint an assistant secretary and an assistant treasurer, and such other officers as in their judgment may be necessary.

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2. Election of Officers. The officers of the association shall be elected annually by the board of directors at the regular annual meeting, and shall hold office at the pleasure of the board.

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

4. President. The president shall be the principal executive officer of the corporation and, subject to the control of the board of directors, shall direct, supervise, coordinate and have general control over the affairs of the corporation, and shall have the powers generally attributable to the chief executive officer of a corporation. The president shall preside at all meetings of the members of the association.

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. If neither the president nor the vice-president is able to act, the board of directors shall appoint some other member of the board to do so on an interim basis. The vice-president shall also perform such other duties as shall from time to time be imposed upon him by the board of directors.

6. Secretary. The secretary shall be the custodian of the records and of the seal of the association and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of these bylaws and as required by law, and that the books, reports, and other documents and records of the association are properly kept and filed; shall keep minutes of the proceedings of the members and board of directors; shall keep at the registered office of the association a record of the names and addresses of the owners and co-owners entitled to vote; and, in general, shall perform all duties incident to the office of secretary and such other duties as may, from time to time, be assigned to him by the board of directors or by the

Unofficial Document

president. The board may appoint one or more assistance secretaries who may act in place of the secretary in case of his death, absence, inability or failure to act.

7. Treasurer. The treasurer shall have charge and custody of, and be responsible for, all funds and securities of the association, shall deposit all such funds in the name of the association in such depositories as shall be designated by the board of directors, shall keep correct and complete books and records of account and records of financial transactions and condition of the association and shall submit such reports thereof as the board of directors may, from time to time, require and, in general, shall perform all the duties incident to the office of treasurer, and such other duties as may, from time to time, be assigned to him by the board of directors or by the president. The board may appoint one or more assistant treasurers who may act in place of the treasurer in case of his death, absence, inability or failure to act.

8. Compensation. No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the board of directors before the services are undertaken.

#### ARTICLE VII

##### Indemnification of Officers and Directors

The association shall indemnify every director or officer, his heirs, executors, administrators and representatives against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the board of directors may

determine that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such manager or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such manager or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the association by reason of, arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the association as common expenses; provided, however, that nothing in this Article VII contained shall be deemed to obligate the association to indemnify any member or owner of a condominium unit, who is or has been a director or officer of the association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the condominium declaration as a member or owner of a condominium unit covered thereby.

**ARTICLE VIII**

**Corporate Seal**

The board of directors shall provide a suitable corporate seal containing the name of the association, which seal shall be in the custody and control of the secretary.

**ARTICLE IX**

**Miscellaneous**

1. **Contracts.** The board of directors may authorize any officer or agent of the association to enter into any contract or execute and deliver any instrument in the name of the association, except as otherwise specifically required by the certificate of incorporation or these bylaws.
2. **Auditing.** At the closing of each fiscal year, the books and records of the association shall be audited by a certified public accountant, whose report will be prepared and certified. Based on such reports the association will have available for inspection by its members a statement of the income and disbursement of the association for each fiscal year.
3. **Inspection of Books.** Financial reports, such as are required to be

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furnished, and the membership records of the association shall be available at the principal offices of the association for inspection at reasonable times by any members.

4. Execution of Association Documents. With the prior authorization of the board of directors, all notes, checks and contracts or other obligations shall be executed on behalf of the association by any two officers of the association.

5. Fiscal Year. The fiscal year of the association shall be determined by the board of directors and shall be subject to change by the board of directors should association practice subsequently necessitate such change.

6. Budget. At each annual meeting of the members of the association the board of directors or the managing agent shall present for approval thereby a proposed budget for the operation of the project during the forthcoming year. Said budget shall include such items of expense as shall be determined from time to time by the board of directors.

7. Notices. All notices, demands or other notices intended to be served upon the association, its board of directors or managing agent, whether pursuant to the condominium declaration or not, shall be sent by registered or certified mail, postage prepaid to the following address: 201 Forest Hill Avenue, Rocky Mount, NC 27801, unless and until this bylaw be amended to the contrary.

#### ARTICLE X

##### Annual Assessments

The board of directors shall fix, levy and collect assessments in the manner and for the purposes specified in the condominium declaration, and the members shall pay assessments as therein provided.

#### ARTICLE XI

1. Amendment by the Members. These bylaws may be amended by the affirmative vote of three-fourths of the members of the association present or represented by proxy at any regular or special meeting, provided that a quorum

as prescribed in Article IV herein, is present at any such meeting. Amendments may be proposed by the board of directors or petition signed by at least 51 percent of the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These bylaws may not be amended insofar as such amendment would be inconsistent with the condominium declaration.

2. Amendment by the Directors. The directors of the association by unanimous vote may amend or alter the bylaws of the association at any regular meeting or at any special meeting provided that no such alteration or amendment by the board of directors shall increase the powers of the board of directors. The statement of any proposed amendment shall accompany notice of any regular or special meeting at which such proposed amendment shall be voted upon. These bylaws may not be amended insofar as such amendment would be inconsistent with the condominium declaration.

3. Amendments Becoming Operative. Amendments to the bylaws shall not become operative unless set forth in an amended declaration duly recorded in the office of the Register of Deeds of Currituck County and all unit owners shall be bound to abide by any amendment upon the same being passed and set forth in an amended declaration duly recorded.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals, this the 21<sup>st</sup> day of July, 1986.

SEASIDE VILLAS OF COROLLA, INC.

Willie D. Ed (SEAL)

Rosalyn W. Edwards (SEAL)

James G. Young (SEAL)

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