

BYLAWS
OF
DUCK BLIND VILLAS ASSOCIATION, INC.

ARTICLE I
Offices

The principal office of the association shall be 305 W. Green St., Wilson, North Carolina, and the mailing address shall be 305 W. Green St., Wilson, NC 27893. 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 association may require.

ARTICLE II

Object

1. The purpose for which this non-profit association is formed is to govern the condominium property situate in the County of Dare, State of North Carolina, described in Book _____, at Page _____, Dare 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 Duck Blind Villas (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.

EXHIBIT C

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 _____, Dare 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 time 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 Dare 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.

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 of 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 (3) 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 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 a 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 Dare 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 three (3) 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 through 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 such 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 the 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 or 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.

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 president. The board may appoint one or more assistant 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 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: 305 W. Green Street, Wilson, NC 27893, 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.