

**PUBLIC OFFERING STATEMENT
OF
GERI'S PLACE CONDOMINIUM**

Pursuant to Sections 47C-4-103 and 104 of the General Statutes of the State of North Carolina, GERI'S PLACE, LLC, a North Carolina Limited Liability Company hereby provides the following information to potential purchasers of units of GERI'S PLACE CONDOMINIUM located in the Town of Nags Head, Dare County, North Carolina:

1. The Declarant is a North Carolina limited liability company. The name and principal address of the Declarant is: GERI'S PLACE, LLC, 2501 S. Compass Lane, Nags Head, NC 27959.
2. The name of the condominium is: GERI'S PLACE CONDOMINIUM

The mailing address of the condominium is:

2501 S. Compass Lane, Nags Head, NC 27959
3. The condominium will consist of eleven (11) existing units as shown on the attached Exhibit A. The condominium will also consist of parking areas, roads, and a pool as shown on the attached Exhibit A
4. A copy of the proposed Declaration of GERI'S PLACE CONDOMINIUM ("the Declaration") is attached hereto and incorporated herein as Exhibit B. A copy of the proposed Bylaws of GERI'S PLACE CONDOMINIUM ASSOCIATION is attached hereto and incorporated herein as Exhibit C. In the event of a conflict between any of the terms and provisions of this Public Offering Statement with the terms and provisions of the Declaration or the Bylaws, the terms and provisions of the Declaration or Bylaws shall govern.
5. A copy of the proposed budget for the initial year of the condominiums budget is attached hereto and incorporated herein as Exhibit D. The proposed budget was prepared by the Declarant. The budget assumes that four (4) of the units of Phase One will be conveyed before August 31, 2009. It is not anticipated that inflation will impact on this initial budget.
6. The Declarant does not anticipate that any services will be provided by the Declarant which may become at any subsequent time a common expense of the Association.
7. There will be no initial or special fees due from purchasers at closing other than the Initial Assessment due to the Association, as provided by Subsection 35(e) of the Declaration.

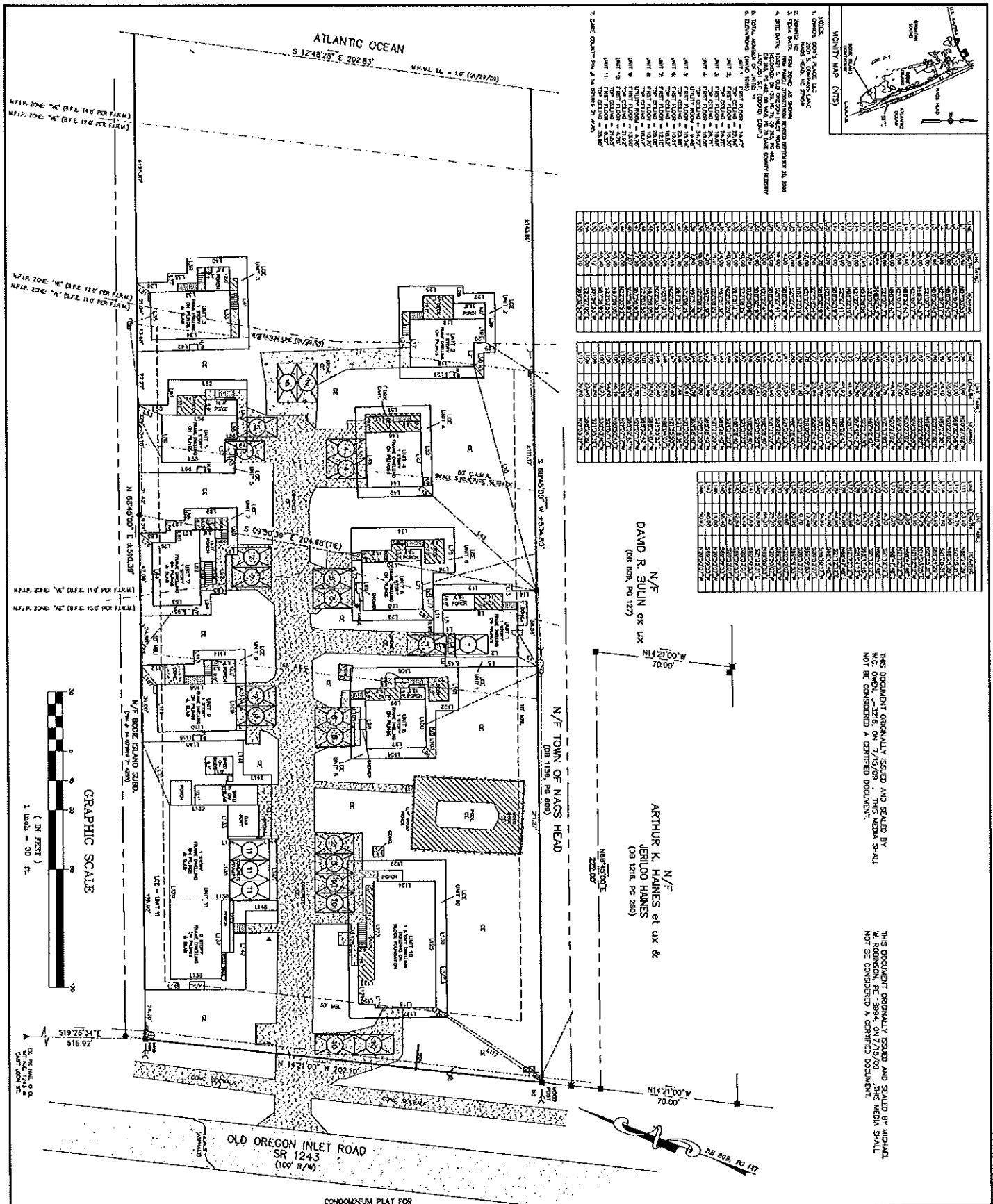
8. There are no known or recorded liens, encumbrances or defects affecting the title to the condominium except as follows:
 - (a) Deed of Trust in the original principal sum of \$515,000.00 to the benefit of Branch Banking and Trust Company recorded in Book 1674, Page 382, Dare County Registry.
 - (b) Easement to Virginia Electric and Power Company recorded in Book 185, Page 507, Dare County Registry.
 - (c) Boundary Agreement recorded in Book 265, page 462, Dare County Registry.
9. The Declarant warrants to the initial purchasers of a unit that the unit and all common elements will be suitable for use for residential purposes. THE DECLARANT MAKES NO OTHER WARRANTIES REGARDING THE CONDOMINIUM, EXPRESS OR IMPLIED, EXCEPT AS STATED HEREIN. The warranties and representations stated herein are made only to initial purchasers of units of the condominium who purchase their units directly from the Declarant, and shall not apply or extend to any other parties. No action may be brought against Declarant to recover damages based upon or arising out of any of Declarant's warranties hereunder more than six (6) years after the date of delivery of possession of such unit to the original purchaser of the unit.
10. Any prospective purchaser of a unit of GERI'S PLACE CONDOMINIUM must receive a Public Offering Statement before signing a contract for purchase, and no conveyance can occur until seven (7) calendar days following the signing of a contract for purchase. The purchaser has the absolute right to cancel the contract during such seven (7) calendar-day period.
11. There are no known or recorded unsatisfied judgments or pending suits against the Association and the Declarant does not know of any pending suit material to the condominium.
12. Any deposit made in connection with the purchase of a unit will be held in an escrow account pursuant to Section 47C-4-108 of the General Statutes of North Carolina. The name and address of the escrow agent is: M. Peebles Harrison, Rose Harrison & Gilreath, PC, P.O. Box 1087, Nags Head, NC 27959.
13. There are no restraints on the alienation of any portion of the condominium except as provided in the Declaration.
14. The Association will maintain in force insurance coverage for the benefit of unit owners as provided by Section 35 of the Declaration.

15. Water service will be supplied to the Association and the Association will bill each individual unit for its share of any water expenses in a manner to be determined by the Board of Directors of the Association. With the exception of the monthly assessment shown by the proposed budget attached hereto, there are no other current or known future fees or charges to be paid by unit owners for the use of the common elements or other facilities related to the condominium.
16. There will be no improvements labeled "MUST BE BUILT" on any plat or plan of the condominium prepared and recorded pursuant to Section 47C-2-109 of the North Carolina General Statutes.
17. Any common elements of the condominium may be alienated or conveyed in accordance with N.C.G.S. §47C-3-112.
18. All units will be restricted exclusively to residential use.
19. The Declarant reserves no development rights.

Date of this Statement: 7/30/09.

GERI'S PLACE, LLC

By Margaret G. McManus (Seal)
Margaret G. McManus, Manager



B: 1808 P: 253

07/31/2009 10:09 AM

Doc Code: DECL

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Doc Id: 6262569

Receipt #: 09-10436

Prepared by and return to:
James R. Gilreath, Jr.
Rose Harrison & Gilreath, P.C.
P.O. Box 1087
Nags Head, NC 27959
File No. 15177

DECLARATION OF GERI'S PLACE CONDOMINIUM

This Declaration is made on July30, 2009 by Geri's Place, LLC, a North Carolina Limited Liability Company, hereinafter referred to as "Declarant." Declarant hereby states and declares as follows:

A. Declarant is the owner of that tract of real estate located in Dare County, North Carolina, described and being that parcel of land more particularly described in the attached Exhibit "A". The tract of real estate and all rights and privileges appurtenant thereto are hereinafter collectively referred to as "the Property."

B. Declarant desires and intends to convert the Property into a condominium pursuant to N.C.G.S. Chapter 47C.

C. Declarant also desires and intends to subject the Property to certain covenants, conditions and restrictions to be binding upon all owners of any interest in the condominium and their lessees, guests, mortgagees, heirs, executors, administrators, successors and assigns.

THEREFORE, pursuant to N.C.G.S. §47C-2-101, Declarant hereby executes this Declaration to create **GERI'S PLACE CONDOMINIUM**, and declares that henceforth the condominium and all units thereof shall be created, held and owned subject to the following

terms, provisions, covenants, conditions and restrictions, which shall be binding upon all owners of any unit of the condominium and their lessees, guests, mortgagees, heirs, executors, administrators, successors and assigns:

1. Definitions. The definitions set forth in N.C.G.S. §47C-1-103 shall apply to this Declaration and are incorporated herein, except that the terms listed below shall have the specific meanings stated:

- (a) "Association" shall mean Geri's Place Owners Association, a North Carolina nonprofit corporation, its successors and assigns.
- (b) "Board of Directors" shall mean the Board of Directors of GERI'S PLACE CONDOMINIUM OWNERS ASSOCIATION, INC.
- (c) "Declarant" shall mean GERI'S PLACE, LLC its successors and assigns.
- (d) "Declaration" shall mean this DECLARATION OF GERI'S PLACE CONDOMINIUM.
- (e) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit which is a part of the Condominium including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

2. Name. The name of the condominium created by this Declaration is GERI'S PLACE CONDOMINIUM.

3. Maximum Number of Units. The maximum number of units of GERI'S PLACE CONDOMINIUM which the Declarant may create at any time is Eleven (11). The number of presently existing units is Eleven (11).

4. Description of Units. The presently existing units are located on the Property and designated Units 1-11. The buildings, improvements, and other appurtenances within each unit are more fully described and depicted by those plats entitled, "Condominium Plat For Geri's Place, LLC, 10321 South Oregon Inlet Road, Nags Head, Nags Head Township, Dare County, North Carolina", prepared by Seaboard Surveying & Planning, Inc., dated January 29, 2009, and recorded in Unit Ownership File 6, Page 387, Dare County Registry, which plats is incorporated herein and are hereinafter referred to as "the Plat." The identifying number for each unit is as shown on the Plat. A Pool also presently exists as part of the common elements of the condominium, and is depicted by the Plat.

5. Boundaries of Units. The vertical boundaries of each unit are delineated on the Plat. Each unit is a parcel, of real property, which has boundaries as any other parcel of real property. The horizontal boundaries of the unit are 60 feet from ground level and 20 feet below ground level. The vertical boundaries are delineated on the Plat. are as delineated on . In determining whether materials or items are common elements, limited common elements or parts of a unit, the terms and provisions of N.C.G.S. §47C-2-102 shall apply, and are incorporated

herein.

6. Common Elements. The Common Elements for the Condominium shall be those as described in this Declaration and as shown on the Plat for the Condominium.

7. Limited Common Elements. The Limited Common Elements for the Condominium shall be those as described in this Declaration and as shown on the Plat for the Condominium. In determining whether materials or items are limited common elements and how they should be allocated, the terms and provisions of N.C.G.S. §47C-2-102 shall apply, and are incorporated herein. In addition the following are Limited Common Elements assigned to the particular unit as follows:

7.1 Any shutters, awnings, roofing, exterior trim, siding window boxes, doorsteps, stoops, porches, decks, outdoor showers, patios and each exterior door window or other fixture or appurtenance to the unit designed to serve a single unit that is located outside the boundaries of the Unit.

7.2 Stoops, and steps and walls above door openings at the entrances to each Unit which proved access to an individual unit

7.3 Utility and storage areas the use of which is limited to the Unit or Units as shown on the plats and plans

7.4 Storm windows and storm doors will be Limited Common Elements of the Unit which they service

7.5 Porches Patios and decks adjacent to a unit the use of which is limited to the Unit as shown on the Plat.

7.6 All septic or other wastewater system servicing an individual units.

8. Parking Spaces. All parking spaces in the Condominium shall be Common Elements, but the Association may elect to allocate certain parking spaces to particular units from time to time. The initial allocation of parking spaces is shown on the Plat. Such allocation shall not cause such allocated parking spaces to become Limited Common Elements. Such allocation of parking spaces shall be revocable by the Association at any time. Since the allocation and revocation of allocation of parking spaces shall not change the character of the parking spaces as Common Elements, such allocation and revocation of allocation need not be recorded in the Dare County Registry. To the extent a parking space overlap with limited common element the overlap shall be deemed Common Element parking. To the extent any any parking space is located within the boundary of a unit, the overlap shall be deemed part of the unit and parking will not be deemed parking common elements within the boundaries of a Unit.

9. Special Declarant Rights. The Declarant reserves the following special declarant rights, which shall apply to all of the Property and which must be exercised within five (5) years of the date of recording of this Declaration:

- (a) to complete any improvements shown on the Plat;
- (b) to maintain signs advertising the condominium on the Common Elements;
- (c) to use easements through the Common Elements for the purpose of making improvements to the Property;
- (d) to amend this Declaration as necessary if required by any federal agency (see subsection 17(c) below); and
- (e) to appoint or remove any officer or member of the Board of Directors of the Association, subject to the limitations stated in N.C.G.S. §47C-3-103(d) and (e), which are incorporated herein.

10. Declarant Control Period. The period commencing on the date hereof and continuing until the earlier of (i) the date two years after the Declarant has ceased to offer Units for sale in the ordinary course of business, or (ii) the date upon which Declarant surrenders control of the Condominium, or (iii) the date one hundred twenty (120) days after the Declarant has conveyed seventy five percent (75%) of the maximum number of Units which Declarant may create on the property.

11. Reservation of Easements. Pursuant to N.C.G.S. §47C-2-116, the Declarant hereby reserves unto itself, its successors and assigns, such easements over all of the Common Elements of the condominium as may be reasonably necessary to exercise the Special Declarant Rights specified in section 8 above.

12. Allocated Interests. The undivided interests in the Common Elements, the common expense liability and votes in the Association (collectively, "the allocated interests") are to be allocated among all units pursuant to a table showing Unit numbers and their allocated interests attached hereto as Exhibit A.

13. Ownership of Units. Ownership of a Unit shall vest fee simple title to such Unit in the Owner.

14. Ownership of Common Elements. Each Owner shall own an undivided interest in the Common Elements and shall have a right and easement of enjoyment in the Common Elements, which shall be appurtenant to and shall pass with the title to every Unit. Each undivided interest in the Common Elements and the right and easement of enjoyment in such Common Elements are subject to the right of the Association to adopt such rules and regulations as may be needed to regulate the use and enjoyment of the Common Elements.

15. Restraint on Transfer. The shares of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated or transferred in any manner except to the extent that a transfer of ownership of a Unit also transfers the membership in the Association which is an appurtenance to such Unit.

16. Owners' Easements of Enjoyment in the Common Elements. Subject to the provisions of the Section herein entitled "Easement for Government, Health, Water, Sewage Disposal, Sanitation and Emergency Services" and any additional provisions of this Declaration, every Owner, members of the Owner's household, guests of the Owner, agents, and licensees, shall have a permanent and perpetual easement for the use and enjoyment of the Common Elements and each easement shall be appurtenant to and shall pass with a title of ingress and egress over the streets, roadways and walkways over the Common Elements for the purpose of access to the Owner's Unit.

17. Limitation of Owner's Easements. The rights of easement, use and enjoyment created hereby shall be subject to the following:

- (a) The right of the Association to adopt and enforce at any time, Rules governing the use of the Common Elements and all facilities situated thereon. Any Rules so adopted shall apply until; rescinded or modified the same as if originally set forth at length in this Declaration.
- (b) The right of the Association to set specific charges for the use and maintenance of the Common Elements.
- (c) The right of the Association to suspend the enjoyment rights of any Owner for any period during which any Common Expense Liability remains unpaid, or for a period that may be determined by the Board of Directors for any violation for this Declaration, the Association's Articles, Bylaws, or published rules and regulations; provided however, that the right of a member of ingress and egress over the Common Elements shall not be abrogated.
- (d) The right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority or utility for such purpose.

18. Easement for Utilities. There is hereby reserved for the benefit of the Association the unit owners, and any public utility or governmental unit providing services in the Condominium, and their respective successors and assigns, an easement upon, over, under and across all the Common Elements, for the purpose of installing, replacing, maintaining and operating all utilities.

19. Easement for Governmental, Health, Water, Sewage Disposal, Sanitation and Emergency Services. A non-exclusive easement is hereby granted to the appropriate governmental authorities and to the appropriate private organizations supplying health, sanitation, police services and emergency service such as fire, ambulance and rescue services, for purposes of ingress and egress over the Common Elements. The Association further reserves an easement over the Common Elements as needed for the installation, maintenance and operation of any central water and sewage disposal systems, which may serve the Condominium. The Association shall grant an individual unit owner an easement over the Common Elements as needed for installation, maintenance and operation of any individual septic or wastewater

system required to service an individual unit.

20. Maintenance Easement. The Association and its agents and employees shall have an easement to enter upon any Common Element in the Condominium for mowing, removing, clearing, cutting, or pruning underbrush, weeds, stumps or other unsightly growth and removing trash therefrom to maintain reasonable standards of health, fire safety and appearance within the Condominium. This reservation shall not impose any duty or obligation upon the Association to perform any such action.

21. Environmental Easements. The Association and its agents and employees shall have an easement on, over and across any and all unimproved areas in the Condominium for the purpose of taking any action necessary to effect compliance with environmental rules, regulations, procedures promulgated or instituted by the Board of Directors or by any governmental entity.

22. Encroachment Easement. A unit owner shall have an easement for any unintentional encroachment of any portion of a unit on or across any limited common element designated to that unit on the Plat for an encroachment of any portion of the unit designed to serve an individual unit.

23. Geri's Place Condominium Association. Every unit owner shall be a member of the Association. Ownership of a fee interest in a unit shall be the sole qualification for membership, and membership shall be appurtenant to and shall not be separated from such ownership. The basic purposes and duties of the Association shall be to manage the Condominium pursuant to the terms and provisions of Article 3 of Chapter 47C of the North Carolina General Statutes, this Declaration, any Bylaws promulgated by the Association and any Rules and Regulations promulgated by the Association or its Board of Directors; and to promote and to protect the enjoyment and beneficial use and ownership of the units. The Association shall have all of the powers stated in N.C.G.S. §47C-3-102, the terms and provisions of which are incorporated herein. The Association shall also have the power to enforce in its own name the terms and provisions of this Declaration, any bylaws promulgated by the Association and any Rules and Regulations promulgated by the Association. In addition, the Association shall have the power to:

- (a) Adopt and amend bylaws and rules and regulations;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from unit owners;
- (c) Hire and terminate managing agents and other employees, agents, and independent contractors;
- (d) Institute, defend, or intervene in its own name in litigation or administrative proceedings on matters affecting the condominium;
- (e) Make contracts and incur liabilities;

- (f) Regulate the use, maintenance, repair, replacement, and modification of Common Elements;
- (g) Cause additional improvements to be made as a part of the Common Elements;
- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to G.S. 47C-3-112;
- (i) Grant easements, leases, licenses, and concessions through or over the Common Elements;
- (j) Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements and for services provided to unit owners;
- (k) Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines not to exceed one hundred fifty dollars (\$150.00) for violations of the declaration, bylaws, and rules and regulations of the Association;
- (l) Impose reasonable charges for the preparation and recordation of amendments to the Declaration, resale certificates or statements of unpaid assessments;
- (m) Provide for the indemnification of and maintain liability insurance for its officers, Board of Directors, directors, employees and agents;
- (n) Exercise all other powers that may be exercised in North Carolina by a nonprofit corporation; and
- (o) Exercise any other powers necessary and proper for the governance and operation of the Association.

24. Restrictions on Use. All units shall be subject to the following use restrictions:

- (a) Each unit shall be used for residential purposes only. Upon each unit is built a dwelling used for a residence. No more than one residential dwelling shall be located on each unit. No commercial activities shall be conducted in or from any unit, except home occupations that do not involve physical access or visitation to the unit by any member of the general public and that do not involve any increased use whatsoever by

any person of any of the Common Elements of the Condominium or any general services provided to the Condominium (such as trash removal). A dwelling in a unit may contain a home office used by the owner of such unit. Notwithstanding the foregoing, however, the owner's employees, customers or clients shall not meet with owner in an owner's unit or work in owner's unit on a regular basis

- (b) The maximum number of occupants of any one unit shall be that number which is the product of the number of bedrooms in a dwelling, as originally designed, times two, regardless of the age of any of the occupants.
- (c) Noxious, offensive or loud activities shall not be conducted within any unit. Each unit owner shall refrain from any use of his or her unit which could reasonably cause embarrassment, discomfort, annoyance or nuisance to any other unit owner or occupant.
- (d) All governmental codes, regulations and ordinances applicable to a unit shall be observed.
- (e) No unit may be subdivided.
- (f) The architectural rules established by the Board of Directors shall establish standards for all aesthetic matters in the Condominium.
- (g) No unit or dwelling may be subdivided to permit the creation of a time share or time shares as same is defined by Chapter 93A, Article 4 of the North Carolina General Statutes, or any subsequent legislation affecting time shares, unless such creation of a time share or time shares is approved as described below.

The creation of a time-share or time shares must be approved by seventy-five percent (75%) of all of the members of the Board of Directors, and by the agreement of owners to which at least eighty percent (80%) of the votes in the Association are allocated.

If the creation of a time-share or time shares is approved as outlined above, an appropriate supplement or amendment to this Declaration shall be executed and filed with the Dare County Registry, designating both the property or properties which are affected by said approval.

25. Leases. Leaseholds of any unit may be granted or be conveyed by an owner only in accordance with the following restrictions:

- (a) Any lease, assignment, or sublease must first be for the entire unit unless the Association gives prior written consent to leasing of a portion of a

unit; and

- (b) Each tenant, by becoming a tenant, agrees to be bound by this Declaration. If any owner or tenant violates any of the provisions of this Declaration, the Association may bring an action in its own name or in the name of the owner, or both, to have the tenant evicted or to recover damages, or both. These remedies are not exclusive and are in addition to other remedies available. The cost of such action shall be recovered by the Association which shall be a continuing lien on the unit, binding on the owner, his heirs, successors and assigns. The Association shall give the tenant and the owner written notice of the nature of the violations(s) and a deadline from the mailing of the notice in which to cure the violation before the Association may file an action for eviction or damages or both.

26. Signs. No owner shall show any sign, advertisement or notice on any of the Common Elements, windows, porches or balconies of any dwelling, or upon any unit.

27. Pets. No animal or livestock of any description, except the usual household pets (dogs and cats) shall be kept on any unit. Each unit is restricted to keeping, housing, maintaining or providing for a maximum three (3) usual household pets at any given time. Owners are expected to control their pets and to thereby prevent the disruption of the well-being of the Condominium. This includes, but is not limited to, and expectation and requirement that owners prevent their pets from hunting or harassing wildlife. Where necessary, the Board of Directors shall act to require owners to restrain animals causing a nuisance. All dogs must be under control of their owners at all times when outdoors. Failure to maintain dogs under control may result in appropriate authorities impounding or restraining such dogs.

28. Temporary Structure Prohibited. No trailer, tent, storage shed, garage or other similar outbuilding or structure shall be placed on Common Element or upon any Unit at any time, either temporarily or permanently, without the advance written approval of the Board of Directors in each instance. 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 thereof.

29. Additions, Alterations and Improvements that Require Approval. No unit owner shall make any improvement, addition, alteration (as, for example, by making structural changes to painting or staining the exterior of any dwelling, improvement or building or glazing or tinting of any glass surface), to a Unit without the prior written approval of the Association in each instance. No unit owner may change the appearance of the Common Elements or the exterior appearance of any improvement within a unit or any other portion of the Condominium without the prior written approval of the Association in each instance. The Board of Directors shall establish a uniform schedule of approved exterior coatings, materials, shingles, trim and an approved color palette with approved exterior colors. A unit owner may submit a written request to the Board of Directors for approval to do anything that the unit owner is forbidden under this Article. The Board of Directors shall answer any written request for such approval, after written

notice and a scheduled hearing, within sixty (60) days after the request thereof. Failure to do so within such time shall constitute a denial of the request. The Board of Directors shall review requests in accordance with the provisions of its rules.

30. Additions, Alterations and Improvements that Do Not Require Approval. A unit owner:

- (a) May make any other improvements or alterations to the interior of any interior portions of an improvement. Each owner shall repair and maintain and replace at their own expense when necessary any heating and air conditioning, septic, and water systems servicing any dwelling in his unit.

31. Governmental Permits. Only the Association shall execute any applications to any department or to any governmental authority for a permit to make any addition, alteration or improvement in or to any unit. Such execution will not, however, create any liability on the part of the Association or any of its members to any contractor, subcontractor or material man because of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

32. No Adverse Effect on Insurance Premiums. Except pursuant to prior approval by the Board of Directors, no additions, alterations and improvements to the units and Common Elements shall cause any increase in the premiums of any insurance policies carried by the Association or by the owners of any units other than those affected by such change.

33. Association May Make Additions, Alterations or Improvements. The Board of Directors may make any additions, alterations or improvements to the Common Elements, which, in its judgment, it deems necessary or desirable.

34. Noncompliance. The Board of Directors shall have power to enforce compliance with this Section in accordance with the following provisions:

- (a) The Board of Directors may exercise its right to impose sanctions for violations of this Declaration and other rules and regulation of the Association, and, acting in the name of the Association, may apply to any court of competent jurisdiction injunctive or other equitable relief against any owner who undertakes or threatens to undertake any alteration or improvement that has not been approved by the Board of Directors.
- (b) The Board of Directors may, at the initial cost of the Association, take such action as is reasonably necessary to remedy any noncompliance. Upon completion of any such action, the Board of Directors shall notify the owner responsible for the noncompliance of the cost (including attorneys' fees and other professional fees, if any) of the remedial action, and such owner shall reimburse the Association for such cost within 15 days after the date of such notice. If such owner fails to make such reimbursement within such 15-day period, the Board shall assess such cost against all units owned by such owner in the manner and with the effect

specified in Section 47C-3-115 of the Act.

- (c) The Board of Directors or its duly authorized representative may at any time inspect any improvement for which approval of plans is required, except that the Board of Directors' right to inspect improvements or alterations for which plans have been submitted and approved shall terminate 180 days after completion of such improvements or alterations. The Board of Directors' right to make inspections shall not terminate pursuant to this subsection if plans for such improvements or alterations were not approved by the Board of Directors.
- (d) If, as a result of an inspection conducted pursuant to this Section, the Board of Directors finds that an improvement or alteration was done without obtaining the Board of Directors' approval or was not done in substantial compliance with plans approved by the Board of Directors, the Board of Directors shall notify the owner in writing of the failure to comply, specifying the particulars of noncompliance.
- (e) If the owner disputes the Board of Directors' determination of noncompliance, the owner may, within 30 days after the date of the Board of Directors' notice, request a hearing before the Board of Directors. If such a hearing has been timely requested, no action to enforce compliance shall be taken until the hearing has been held and the Board of Directors has announced its determination.

35. Approvals Set No Precedents. The approval by the Board of Directors of any plans, specifications, drawings or other proposal for any alteration or improvement, or any variances from the architectural rules, shall not constitute approval of, or require the Board of Directors to approve, any similar plans, specifications, drawings, variances, or other proposal pending concurrently or subsequently submitted for approval.

36. Maintenance and Assessments. The Association shall maintain all of the Common Elements of the Condominium, including the limited Common Elements, and assess all of the units for the costs thereof, pursuant to N.C.G.S. §§47C-3-107 and 113, the terms and provisions of which are incorporated herein. The Association shall have the power to assess the units as set forth in those statutes, and as follows:

- (a) Regular Assessments. The Association shall establish an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Elements. The Association shall charge each unit on a quarterly or monthly basis (as determined by its Board of Directors) a Regular Assessment as its share of the common expenses and its contribution to the reserve fund.
- (b) Special Assessments. In addition to the Regular Assessments authorized in subsection (a) above, the Association may charge each unit, in any



fiscal year of the Association, a Special Assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction of a capital improvement upon and to any part of the Common Elements, including fixtures and personal property related thereto; provided that any such Special Assessment must be approved by the affirmative vote of at least two-thirds (2/3) of all units existing at the time of the vote, cast in person or by proxy at a meeting duly held in accordance with the bylaws of the Association. If authorized by the Association, Special Assessments may be paid by unit owners in monthly or quarterly installments, as determined by the Board of Directors of the Association.

- (c) Rates of Regular and Special Assessments. Regular and Special Assessments shall be assessed against all units based on the Fractional Share of Common Elements and Common Expense allocated to each Unit as show on the Table of Interests attached hereto as Exhibit "B".
- (d) Commencement of Regular and Special Assessments. Each unit shall be and become subject to Regular and Special assessments from and after the date of recording of this Declaration when levied. Until any unit owned by the Declarant has been sold to a purchaser, there shall be no assessments against said units; however the Declarant shall bear the expense of the upkeep and maintenance of said units. As required by Section 47C-3-115, until Assessments are levied against the units Declarant shall pay all accrued annual expenses of the Condominium. An assessment shall be deemed levied upon giving of notice by the Board to a member of the Association who is a unit owner of that unit.
- (e) Initial Assessments. In order to provide initial operating funds for the Association, each unit shall be assessed an Initial Assessment at the time of first occupancy of the unit. The Initial Assessment shall be due and payable at closing on sale of the unit to the first unit owner who intends to occupy the unit or lease the unit for occupancy. The amount of the Initial Assessment shall be an amount equal to three (3) months' Regular Assessment for each unit. The Initial Assessment due from each unit pursuant to this subsection shall be in addition to all other assessments created hereunder, and shall not be credited against any other assessment.
- (f) Maintenance of Limited Common Elements. Any common expense associated with the maintenance, repair or replacement of a Limited Common Element must be assessed only against the unit to which that Limited Common Element is allocated.
- (g) Assessments for Fines. The Association may assess individual units for any fines owed to the Association by the owner(s) of the unit for violations of this Declaration or any bylaws or rules and regulations



promulgated by the Association. Any such fine shall not exceed One Hundred Fifty Dollars (\$150.00) per occurrence.

- (h) Certificates of Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association stating whether all assessments against a specified unit have been paid. A properly executed certificate of the Association as to the status of assessments against a unit shall be binding upon the Association as of the date of its issuance.
- (i) Payment and Collection of Assessments. Each of the applicable assessments described above, together with interest thereon and the costs of collection thereof, including reasonable attorney's fees, and together with late fees, if any, shall be a lien upon each unit and the personal obligation of all of the owners of such unit. Assessments shall be paid in such manner and on such dates as the Board of Directors of the Association may establish, which may include discounts for early payment, reasonable late fees for late payment and special requirements for unit owners with a history of late payment. No unit owner may exempt himself from liability for assessments by non-use of Common Elements, abandonment of his unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each unit owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action taken by the Association. Any assessment against any unit which remains unpaid for a period of thirty (30) days after delivery of a request for payment thereof shall be past due, and interest shall accrue on any unpaid amount from the date that it became past due at the rate of twelve percent (12.00%) per annum. The Association shall have the power to take whatever action is necessary, at law or in equity, to collect any past due assessment, together with interest, late fees and costs of collection, including reasonable attorney's fees. When an assessment becomes past due, the lien created hereunder may be filed by the Association against the delinquent unit owner in the office of the Clerk of Superior Court of Dare County. The lien may be foreclosed by the Association in like manner as a mortgage on real estate under power of sale pursuant to Article 2A of Chapter 45 of the North Carolina General Statutes.

37. Nonpayment. The assessment, lien for such assessment, and remedies to the Association for nonpayment of such assessment shall be as provided by Sections 47C-3-115 and 47C-3-116 of the Act, with the following additional provisions:

- (a) The Board of Directors may appoint a Trustee to foreclosure the lien of the

assessment as provided by Section 47C-3-116 of the Act and Article 2A of Chapter 45 of the North Carolina General Statutes.

- (b) The Association may enter one or more bids at the foreclosure sale and may purchase the property at the foreclosure sale, even if the foreclosure sale is conducted by or at the direction of the Association.

38. Subordination of Lien to First Mortgages. The lien created by subsection 35 above shall be subordinate to the lien of any first mortgage. Sale or transfer of any unit shall not affect the lien of any assessment, except that the sale or transfer of any unit pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of any assessment against the unit that first became due prior to such sale or transfer.

39. Insurance. Upon taking title to a unit in the Condominium the owner shall have in effect a fully paid fire and extended coverage insurance policy or homeowner's insurance policy, and the owner shall furnish evidence of the insurance as well as the payment of the premium to the Association within 10 days of the title transfer date. Said insurance shall be for the amount of the highest percent of the insurable replacement costs of the unit and dwelling which can reasonably be obtained. Thereinafter, each owner shall obtain and maintain in force such an insurance coverage on his unit as the Board of Directors of the Association may require. The Association shall purchase, maintain in force and administer insurance coverage as provided by N.C.G.S. §47C-3-113, the terms and provisions of which are incorporated herein. In addition, the Association shall meet the following requirements regarding insurance:

- (a) Property Insurance. All Common Elements of the Condominium (including all limited common elements), except land, excavations, foundations and other items normally excluded by property insurance policies, shall be insured by the Association in an amount equal to at least one hundred percent (100%) of their insurable replacement value as determined annually by the Association, with the assistance of the insurance company underwriting the coverage. Such coverage shall provide protection against loss or damage by fire and other hazards or risks covered by a standard extended coverage endorsement.
- (b) Liability Insurance. The Association shall acquire and maintain in full force and effect a policy of insurance which insures the Association against any liability arising out of the use, ownership, maintenance and control of the Common Elements, any commercial space leased or owned by the Association and any public rights-of-way within the Property, with limits of liability therefor of not less than One Million Dollars (\$1,000,000.00) per occurrence, which policy shall include an endorsement to cover liability of the Association to a single unit owner.
- (c) Other Insurance. There shall also be obtained such other insurance coverage as the Association shall from time to time determine to be desirable and necessary or as may be required by the Federal Housing

Administration, Veterans Administration or Federal National Mortgage Association.

- (d) Waiver of Subrogation. All policies of insurance required to be carried hereunder shall contain waivers of subrogation.
- (e) Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount not less than the estimated maximum of funds, including reserve funds, in the custody of the Association or its agent at any given time during the term of the bond (however, in no event shall the amount of the bond be less than a sum equal to three (3) months' aggregate assessments against all units plus reserve funds).
- (f) Qualifications of Insurance Carriers. The Association shall obtain the insurance coverages specified herein only from carriers licensed and admitted to transact business in North Carolina and which have received an A- or better rating by the latest edition of A.M. Best's Insurance Rating Service.
- (g) Proceeds. All contracts of property insurance purchased by the Association shall be for the benefit of all of the unit owners and their mortgagees, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association or its authorized representative as insurance trustee under this Declaration. Each unit owner and his mortgagee, if any, shall be beneficiaries of each insurance policy in the percentage of the unit owner's undivided interest in the condominium. The sole duty of the Association or its authorized representative as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein. Subject to the provisions of N.C.G.S. §47C-3-113, proceeds of insurance received by the insurance trustee shall be distributed to or for the benefit of the beneficiaries in the following manner:
 - (i) Proceeds shall first be paid to cover the cost of reconstruction and repair of any damage covered;
 - (ii) Proceeds shall then be paid to the trustee to reimburse it for costs reasonably incurred in discharging its duties as trustee; and
 - (iii) Any remaining proceeds shall then be distributed to the beneficiary or beneficiaries of the trust, as their interests may appear.

40. Availability of Documents and Records of the Association. The Association shall make reasonably available for examination true copies of this Declaration and of all bylaws, rules and regulations, books, records and current financial statements of the Association, to the following: (a) unit owners and their agents and mortgagees, and (b) contract purchasers of units and their agents and prospective mortgagees. Upon written request from any governmental agency holding, insuring or guaranteeing any mortgage against any unit of the condominium, the Association shall provide a copy of an audited financial statement of the Association for the immediately preceding fiscal year to the requesting agency within a reasonable period of time.

41. Notices to Lenders. Upon written request from any entity holding, insuring or guaranteeing a mortgage against any unit of the Condominium, the Association shall provide the requesting entity with timely written notice of:

- (a) any proposed amendment to this Declaration;
- (b) any proposed termination of the Condominium;
- (c) any condemnation of or loss, destruction or damage to the Condominium which affects a material portion of the Condominium or any unit against which there is a mortgage held, insured or guaranteed by the requesting entity;
- (d) any delinquency of sixty (60) days or more in payment of any assessments due from the owner(s) of any unit against which there is a mortgage held, insured or guaranteed by the requesting entity; and
- (e) any lapse, cancellation or material modification of any insurance coverage held by the Association.

42. General Provisions.

- (a) Parties Bound. All persons and entities acquiring any interest in any of the units, including but not limited to lessees, shall be bound by the provisions of this Declaration. All guests and invitees of such persons and entities, and any other occupants of any of the units, shall likewise be bound.
- (b) Duration. The provisions of this Declaration shall run with and bind the Property perpetually, unless rescinded pursuant to subsection (c) below.
- (c) Amendment or Rescission. Except as provided herein, this Declaration may be amended or rescinded only by a written instrument executed by the Association and authorized by the affirmative vote of at least two-thirds (2/3) of all units existing at that time, cast in person or by proxy at a

meeting duly held in accordance with the bylaws of the Association; provided that the terms and provisions of this Declaration may be amended by the Declarant at any time within five (5) years of the date of recording of this Declaration, without the approval of the Association or any other party, as necessary to exercise the development rights reserved in Section 7 above or if the proposed amendment is required to obtain any approval of HUD, FHA, VA, FNMA or FHLMC. Any amendment or rescission must be recorded at the Dare County Registry to be effective.

- (d) Enforcement. The Declarant, any unit owner and/or the Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, and obligations imposed by this Declaration. The Declarant, the Association or any unit owner may bring any action necessary to enjoin any violation or breach of the provisions of this Declaration, and/or to recover damages therefor. The Declarant, the Association and/or any unit owner shall be entitled to recover reasonable attorney's fees incurred in bringing and prosecuting such action from the breaching or violating unit owner(s).
- (e) Failure to Enforce Not a Waiver. The failure to enforce any right, reservation, covenant or restriction contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so thereafter.
- (f) Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any of the other provisions of this Declaration, which shall remain in full force and effect.
- (g) Captions. The captions herein are inserted only as a matter of convenience and for reference, and shall not be construed to define, limit or describe the scope of any provision of this Declaration.
- (h) Law Controlling. This Declaration shall be construed and governed pursuant to the laws of North Carolina.
- (i) References to Statutes. All references herein to any statutory provision shall be construed to include and apply to any subsequent amendments to or replacements of such provision.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed by its authorized officers and its corporate seal to be affixed hereto on the date shown above.

GERI'S PLACE, LLC

By: Margaret G. McManus
Margaret G. McManus, Manager

State of North Carolina
County of Dare:

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Margaret G. McManus, Member/Manager of Geri's Place, LLC.

Date: July ~~June~~ 2nd, 2009

Lisa D. Caddy
Lisa D. Caddy, Notary Public
My commission expires: 12/22/2012

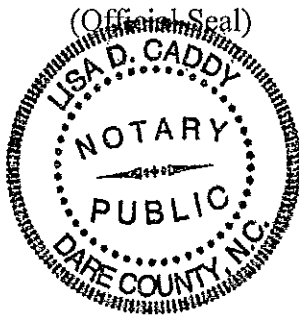


Exhibit "A"

All that certain lot or parcel of land lying and being on Bodie Island in Nags Head Township, Dare County, North Carolina, adjoining other lands of Pipkin and Woodford and bounded as follows:


Beginning at a wooden post situated in and on the East margin or right of way of the North Carolina State Highway 1243 (also known as Old Oregon Inlet Road), said point and place of beginning being South 19 degrees 26 minutes 34 seconds, East 516.92 feet along the East margin of said highway from an existing PK nail located at the intersection of North Carolina State Highway 1243 and East Loon Street, thence running from said POINT AND PLACE OF BEGINNING North 68 degrees 45 minutes and 00 seconds East (and parallel with the Bodie Island Subdivision) 510.39 feet more or less to the mean high water line of the Atlantic Ocean; thence along the Atlantic Ocean following the various courses and meanderings thereof to a point which is South 12 degrees 48 minutes 28 seconds East 202.83 feet on a course from the terminal point of the next preceding call; thence South 68 degrees 45 minutes and 00 seconds West 504.89 feet more or less to a wooden post; thence along the East margin or right of way of said highway North 14 deg. 21 min. 00 sec. West 202.1 feet to the point and place of beginning.

Said property being further described on that certain map or plat entitled "Geri's Place Condominium, 10321 South Old Oregon Inlet Road, Nags Head, Nags Head Township, Dare County North Carolina" by Seaboard Surveying & Planning, Inc. Reference to which is hereby made for a more particular description of the property herein conveyed.

Exhibit "B"
To
Declaration of Geri's Place Condominium

TABLE OF INTERESTS

New Unit No.	Fractional Share of Common Elements, Common Expenses and Votes in the Association
1	.0909
2	.0909
3	.0909
4	.0909
5	.0909
6	.0909
7	.0909
8	.0909
9	.0909
10	.0909
11	.0909

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**BYLAWS
OF
GERI'S PLACE CONDOMINIUM OWNERS ASSOCIATION, INC.**

**ARTICLE I.
BUSINESS ADDRESS**

The business address of GERI'S PLACE CONDOMINIUM ASSOCIATION, INC. (the "Association") shall be 2501 S. Compass Lane, Nags Head, North Carolina 27959. The business address may be changed by the Board of Directors of the Association if required by the U.S. Postal Service, or, upon approval of the membership, for any other reason.

**ARTICLE II.
MEMBERSHIP IN THE ASSOCIATION**

Every person or entity who is a record owner of a fee or undivided fee interest in any of the units in any phase of GERI'S PLACE CONDOMINIUM ("the Condominium"), located in Dare County, North Carolina, shall be a member of the Association. Ownership of such interest shall be the sole qualification for membership, and membership shall be appurtenant to and may not be separated from such ownership.

**ARTICLE III.
PURPOSES OF THE ASSOCIATION**

The purposes and duties of the Association shall be:

- A. To manage the Condominium pursuant to the terms and provisions of Article 3 of Chapter 47C of the North Carolina General Statutes, these Bylaws, any Rules and Regulations promulgated by the Association or its Board of Directors and that Declaration of GERI'S PLACE CONDOMINIUM of record at Book 1808 Page 253, Dare County Registry, as the same may be amended from time to time ("the Declaration");
- B. To enforce the provisions of these Bylaws, the Declaration, and any Rules and Regulations promulgated by the Association or its Board of Directors;
- C. To promote and protect the enjoyment and beneficial use and ownership of all of the units of the Condominium ("the Units").

No part of the net earnings of the Association shall inure to the benefit of its members, the members of its Board of Directors or its officers, or to any other person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in

furtherance of the above stated purposes.

ARTICLE IV. ASSESSMENTS

The Association shall make and collect assessments against the Units as stated in the Declaration and as provided in Chapter 47C of the North Carolina General Statutes.

ARTICLE V. MEETINGS OF MEMBERS

Section 1. Place of Meetings. All meetings of members shall be held at such place in Dare County, North Carolina, as shall be designated on the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.

Section 2. Annual Meetings. The annual meeting of the members shall be held during the last seven (7) days of October of each year on any day during that period (except a legal holiday) as determined by the Board of Directors, for the following purposes:

1. to ratify or reject the summary of the proposed budget submitted by the Board of Directors pursuant to Article VI below;
2. to elect the Board of Directors of the Association (subject to the provisions of Section 23 of the Declaration) for the coming fiscal year; and
3. to transact any other business that may come before the membership, including but not limited to the adoption, modification and/or repeal of any Rules and Regulations governing the Condominium.

Section 3. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article V. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. Special Meetings. Special meetings of the members may be called at any time by the President or the Board of Directors of the Association, or upon the written request of not less than twenty percent (20%) of the members.

Section 5. Notice of Meetings. Written notice of the meeting shall be delivered not less than ten nor more than fifty days before the date of any members' meeting, either personally or by mail, by or at the direction of the President, the Secretary, or other person calling the meeting, to each member of record. The notice shall state the

time and place of the meeting and shall also state the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes and any proposal to remove an Officer/Director. If mailed, such shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his/her address as it appears on the record of members of the Association, with postage thereon prepaid. It shall be the responsibility of the individual members to keep the Secretary informed of their current addresses. In the absence of instructions from an individual member as to his/her address, the Secretary shall be entitled to rely on the most recent records of the Dare County Tax Collector to determine the addresses of the owner(s) of a Unit. The notice of meeting must state the time and place of the meeting and all items on the agenda for the meeting.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 6. Voting Rights. On matters of the Association's business submitted to vote of the membership, there shall be one (1) vote per Unit, regardless of the number of owners of a Unit. There shall be no requirement of a quorum for submitting any matter to a vote at any Annual Meeting or Substitute Annual Meeting properly called and convened pursuant to these Bylaws. At any special meeting of members, twenty percent (20%) of the Units (represented either in person or by proxy) shall constitute a quorum for the purposes of submitting any matter to a vote. Except as otherwise provided by the Declaration, Chapter 47C of the North Carolina General Statutes, or these Bylaws, all matters submitted to a vote at any meeting held in accordance with these Bylaws shall be decided by a simple majority of the total votes cast.

Section 7. Voting by Proxy. Votes may be cast either in person or by one or more agents authorized by a dated, written proxy executed by the member or his/her attorney-in-fact. A proxy terminates one year after its date, unless it specifies a shorter term. Any form of proxy which is sufficient in law may be used, but the following form of proxy shall be deemed sufficient:

The undersigned hereby irrevocably constitute and appoint _____ their attorney-in-fact and proxy for the sole purpose of casting the vote allocated to Unit __, on all matters submitted to vote at that meeting of GERI'S PLACE CONDOMINIUM ASSOCIATION to be held on _____ 20 _____. The undersigned hereby ratify and confirm all such votes cast on behalf of said Unit at that meeting, and certify that they are fully authorized to execute this instrument of proxy on behalf of all owners of any fee interest in said Unit.

This the _____ day of _____, _____.

UNIT OWNER

Section 8. Voting List. At least ten days before each meeting of members, the Secretary of the Association shall prepare an alphabetical list of the members entitled to

vote at such meeting or any adjournment thereof, with the address of each, which list shall be kept on file with the book of records of the Association. This list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any members during the whole time of the meeting.

Section 9. Waiver of Notice. Any member may waive notice of any meeting. The attendance by a member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VI. BOARD OF DIRECTORS

Section 1. Purpose, Number and Term of Office. The business and affairs of the Association shall be managed by a Board of Directors of three (3) individuals, who shall be entitled to act on behalf of the Association. The Board of Directors shall initially consist of the declarant, Margaret G. McManus, Dean Richard McManus, and Patrick M. McManus. Subsequently, the Board of Directors shall be appointed by the Declarant until such time as the period of Declarant control of the Association has terminated pursuant to the provisions of the Declaration. At the first meeting of the membership of the Association following the termination of the period of Declarant control of the Association, the members of the Board of Directors shall be elected by the membership of the Association and those persons who receive the highest number of votes at a meeting at which a quorum is present shall be elected. Each member of the Board of Directors shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and the election of his/her successor. All Directors elected by the membership of the Association must be unit owners.

Section 2. Powers and Duties. The Board of Directors shall have the power and the duty to act on behalf of the Association in all instances, except that the Board may not amend the Declaration, terminate the condominium, elect members of the Board (except to fill any vacancy in its membership for the unexpired portion of a term) or determine the qualifications, powers, duties or terms of office of members of the Board. In addition the Board of Directors shall have the following specific powers, duties and responsibilities:

A. The Board will keep a complete record of all of its acts and all affairs of the Association and make the same reasonably available for examination by any member, his agents or mortgagees.

B. The Board will adopt a proposed budget for the Association to be approved or rejected by the membership of the Association at its Annual Meeting. The proposed budget shall be adopted at a meeting of the Board to be held not more than sixty (60) days before the Annual Meeting of the membership of the Association. A

summary of the proposed budget, including the amount of any proposed assessments against the Units, shall be mailed to the membership not more than fourteen (14) nor less than thirty (30) days after the adoption of the proposed budget. The proposed budget shall be deemed ratified unless at the meeting more than fifty percent (50%) of the Units existing at that time vote to reject it. In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until such time as the membership ratifies a budget subsequently proposed by the Board of Directors.

C. The Board may fine any unit owner an amount not to exceed One Hundred Fifty Dollars (\$150.00) for any single violation of the Declaration, these Bylaws or any Rules and Regulations promulgated by the Board. In such event, the Board shall provide the unit owner fined an opportunity to be heard before an Adjudicatory Panel to be appointed by the Board pursuant to Article X below. Multiple fines may be assessed against any unit owner for multiple violations. Any such fines shall be deemed assessments against the unit of such owner, and shall be collectable as provided in the Declaration.

D. The Board may contract a management agent to perform and execute such duties, functions and responsibilities of the Board as the Board may deem appropriate; however, no such contract shall relieve the Board from its fiduciary duty to the Association.

Notwithstanding any other provision herein, the Board of Directors is authorized, on behalf of the Association, to submit any dispute with or claim against the owner(s) of any Unit(s) to voluntary arbitration pursuant to any arbitration program then in effect in the General Court of Justice of Dare County, North Carolina.

Section 3. Removal of Directors. Any Director may be removed at any time with or without cause by a vote of at least sixty-seven percent (67%) of all persons present and entitled to vote at any meeting of the membership of the Association at which a quorum is present. However, Directors who are appointed by the Declarant may only be removed by the Declarant.

Section 4. Vacancies. In the event of the death, disability, resignation or removal of a Director, his/her successor shall be selected and appointed by the remaining members of the Board of Directors to serve until the next meeting of the membership of the Association or until a successor is appointed by the Declarant if such vacancy is the result of the death, disability, resignation or removal of an initial Director or a Director who was appointed by the Declarant.

ARTICLE VII. MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Called Meetings. Meetings of the Board of Directors may be called by or at the request of the President or any two Directors.

Section 2. Notice of Meeting. The person or persons calling a meeting of the Board of Directors shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 3. Waiver of Notice. Any member of the Board of Directors may waive notice of any meeting. The attendance by a member of the Board of Directors at a meeting shall constitute a waiver of notice of such meeting, except where a member of the Board of Directors attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. A majority of the number of the members of the Board of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the members of the Board of Directors.

Section 5. Manner of Acting. Except as otherwise provided in these Bylaws, the act of the majority of the members of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6. Informal Action by Members of the Board of Directors. Action taken by a majority of the members of the Board of Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the members of the Board of Directors and filed in the book of records of the Association, whether done before or after the action so taken.

Section 7. Committees of the Board. The Board of Directors may establish either standing or ad hoc committees of the members to assist it in its work. Such committees shall be chaired by a member of the Board of Directors.

ARTICLE VIII OFFICERS

Section 1. Designation. The officers of the Association shall consist of a President, a Vice-President, a Secretary, and a Treasurer, and such other officers as the membership may from time to time elect. The offices of Secretary and Treasurer may be held by the same person; otherwise, no two offices may be held by the same person.

Section 2. Election and Term. The initial officers of the Association shall be elected by the initial members of the Board of Directors of the Association. Subsequently, the officers of the Association shall be appointed by the Board of Directors. Members of the Board shall be eligible for appointment to serve as officers of the Association. The officers shall be appointed to one-year terms, and each officer shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and the appointment of his/her successor.

Section 3. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He/she shall, when present, preside at all meetings of the members. He/she shall sign, with the Secretary, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President, together with the Secretary, shall execute any amendments to the Declaration approved by the membership of the Association.

Section 4. Vice President. In the absence of the President or in the event of his/her death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President, and shall perform such other duties as from time to time may be assigned to him/her by the President or the Board of Directors.

Section 5. Secretary. The Secretary shall: (a) keep minutes of the meetings of members, of the Board of Directors and of all Executive Committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) be authorized to certify and oversee the recordation of amendments to the Declaration on behalf of the Association; (e) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 6. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such depositories as shall be selected in accordance with the provisions of Section 4 of Article IX of these Bylaws; (c) prepare, execute and deliver certificates of assessments as provided by Section 36 of the Declaration; and (d) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

ARTICLE IX.
CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on the behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by the President or the Treasurer of the Association.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select.

ARTICLE X
ADJUDICATORY PANEL

Section 1. Appointment of Adjudicatory Panel. The Board of Directors shall, not less than annually, appoint an Adjudicatory Panel of five (5) individuals, all of whom shall be residents of the condominium. Members of the Board shall be eligible to serve as members of the Adjudicatory Panel. Members of the Panel shall be appointed to one-year terms, and each member shall sit until his/her death, disability, resignation or removal, or until the expiration of his/her term and the appointment of his/her successor.

Section 2. Hearings. In the event that a fine is assessed against a unit owner by the Board of Directors pursuant to Subsection 2(C) Article VI above, the Adjudicatory Panel shall provide to the unit owner so fined notice of the violation and an opportunity to be heard regarding the alleged violation and the assessed fine. If within ten (10) days of receipt of the notice the unit owner requests in writing a hearing, the Adjudicatory Panel shall hear the matter within twenty (20) days of the date of the written request. Three (3) members of the Panel shall constitute a quorum for the purpose of conducting a hearing. Following such a hearing, the Adjudicatory Panel shall confirm, deny or modify the fine imposed by the Board and shall notify the unit owner of its decision. The decision of the Panel with regard to the fine shall be final.

ARTICLE XI.
INDEMNIFICATION

Any person who at any time serves or has served as an officer, member of the Board of Directors and/or member of the Adjudicatory Panel of the Association shall have a right to be indemnified by the Association to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him/her in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitral action, suit, or proceeding (and any appeal therein), whether or not brought by or on behalf of the Association, seeking to hold him/her liable by reason of the fact that he/she is or was acting in such capacity, and (b) reasonable payments made by him/her in satisfaction of any judgment, money decree, fine, penalty or settlement for which he/she may have become liable in any such action, suit or proceeding.

Upon request for payment, the President of the Association shall promptly call a special meeting of the Board of Directors to obtain approval to pay the indemnification required by this bylaw. Such approval may be general or confined to specific instances, and shall not be unreasonably withheld. Upon approval by the Board of Directors, the President shall promptly cause the indemnification to be paid to the requesting party.

Any person who at any time after the adoption of this bylaw serves or has served as an officer, member of the Board of Directors and/or member of the Adjudicatory Panel of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this bylaw.

ARTICLE XII. DISSOLUTION

In the event of dissolution of the Association, the residual assets of the Association will be distributed to a nonprofit organization with purposes similar to those of the Association, or to any other organization eligible under the provisions of Chapter 55A of the General Statutes of North Carolina. However, in no event shall the residual assets of the Association be distributed in a fashion that terminates the Association's exempt status under Section 528 of the Internal Revenue Code of 1986 or any corresponding sections or provisions of any future United States Internal Revenue law.

ARTICLE XIII. SECTION 528 STATUS

The Association shall elect and shall be managed in such fashion as to maintain tax-exempt status under Section 528 of the Internal Revenue Code of 1986. The Association shall not carry on any activities prohibited by an Association electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law.

ARTICLE XIV.
GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Association.

Section 2. Fiscal Year. The fiscal year of the Association shall be September 1 through August 31.

Section 3. Amendments. Following the termination of the initial period of Declarant control provided for in the Declaration, the members of the Association may amend these Bylaws, repeal these Bylaws and/or adopt new Bylaws by the vote of at least sixty-seven percent (67%) of all existing Units at any meeting of the membership of the Association properly held and conducted pursuant to Article V above.

Section 4. Conflicts. In the event of any conflict between the terms and provisions of these Bylaws and the terms and provisions of the Declaration, the terms and provisions of the Declaration shall control.

Section 5. References to Statutes. All references herein to any statutory provision shall be construed to include and apply to any subsequent amendments to or replacements of such provisions.

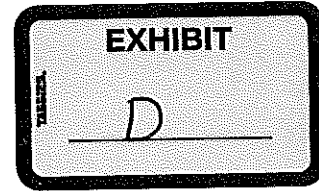
The foregoing instrument, consisting of 10 pages, is hereby approved, accepted and adopted by the undersigned as the Bylaws of GERI'S PLACE CONDOMINIUM ASSOCIATION. In witness whereof, the initial members of the Board of Directors of the Association have set their hands and seals, effective the 2nd day of July, 2009.

Margaret G. McManus (SEAL)
MARGARET G. McMANUS

Patrick M. McManus (SEAL)
Patrick M. McManus

Dean Richard McManus (SEAL)
Dean Richard McManus

GERI'S PLACE CONDOMINIUM OWNERS ASSOCIATION, INC.
ESTIMATED BUDGET
YEAR 1



ESTIMATED REVENUE:

Monthly dues from 4 units @\$275.00 per month	\$13,200.00
DECLARANT CONTRIBUTION*	<u>\$23,100.00</u>
Total Estimated Revenue	\$36,300.00

ESTIMATED EXPENSES:

Taxes	\$10,214.00
Water	\$ 7,900.00
Grounds Maintenance	\$ 1,000.00
Pool Maintenance	\$ 8,000.00
Liability Insurance	\$ 2,867.00
Bookkeeping & Accounting	\$ 2,400.00
Reserve for driveway or pool repairs	<u>\$ 3,919.00</u>
TOTAL ESTIMATED EXPENSES	\$36,300.00

*** Declarant reserves the right to reduce its contribution to the Association as additional units are conveyed to Unit Owners and the Association begins to receive assessments from those units. This reduction shall be in an amount equal to the monthly dues assessed by the Association on each unit which is conveyed to a non Declarant owner.**

Water meters will be installed at each cottage as they are sold. Each meter will be read at the end of the fiscal year, and the cost of water for each cottage will be adjusted at that time.

THE BUDGET FIGURES ARE, OF COURSE, ESTIMATES AND THE DECLARANT CANNOT BE CERTAIN THAT SUFFICIENT FUNDS HAVE BEEN BUDGETED TO COVER ALL COMMON EXPENSES THAT MAY BE INCURRED. DECLARANT BELIEVES THAT THE FIGURES REPRESENT THE BEST ESTIMATES OBTAINABLE; BECAUSE ACTUAL EXPENDITURES MAY DIFFER FROM ESTIMATED EXPENDITURES DUE TO POSSIBLE CHANGES IN FUTURE INCOME OR EXPENSES OF THE CONDOMINIUM OR OTHER VARIABLE FACTORS, SUCH ESTIMATES ARE NOT INTENDED OR CONSIDERED GUARANTEES OF ANY KIND WHATSOEVER.

This budget assumes occupancy of 4 units and it is not anticipated that inflation will impact on this initial budget. The projected budget was prepared by the Declarant.

GERI'S PLACE CONDOMINIUM OWNERS' ASSOCIATION, INC. BALANCE SHEET

BALANCE SHEET
as of July 31, 2009

Assets -	\$ -0-
Liabilities -	\$ -0-
Equity -	\$ -0-

GERI'S PLACE CONDOMINIUM
OWNERS' ASSOCIATION, INC. PROPOSED MONTHLY ASSOCIATION DUES

THE MONTHLY DUES FOR EACH UNIT SHALL INITIALLY BE \$275.00. DUES AND ASSESSMENTS ARE SUBJECT TO CHANGE BY THE OWNERS ASSOCIATION AS PER THE DECLARATION AND BYLAWS.

RECEIPT OF PUBLIC OFFERING STATEMENT

The undersigned hereby acknowledges:

- (1) Receipt from Geri's Place, LLC on _____, 20__ of a copy of the Public Offering Statement (and all amendments thereto if any) of Geri's Place Condominium.
- (2) The right of the undersigned to cancel the purchase contract within seven (7) calendar days following the signing of the purchase contract.
- (3) The right of the Escrow Agent, at any time after the expiration of the seven (7) calendar day rescission period set forth in the Purchase and Sale Agreement, to transfer the undersigned's earnest money deposit to Geri's Place, LLC or its assignee without any further consent or approval of the undersigned.

This the ____ day of _____, 20__.

Purchaser:

Seller:

Geri's Place, LLC, a North Carolina
Limited Liability Company

By: _____