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BYLAWS OF

COASTAL RETREAT CONDOMINIUM ASSOCIATION, INC.

Prepared by and return to: Village Realty & Management Services, Inc.
PO Box 1807, Nags Head, NC 27959

ARTICLE I

NAME, PURPOSE AND APPLICABILITY

1.1 Name. The name of this non-profit, non-stock membership corporation shall be COASTAL RETREAT CONDOMINIUM ASSOCIATION, INC. ("Association").

1.2 Purpose. The purpose of the Association shall be to administer, manage and operate the Property (as defined below), in accordance with the North Carolina Condominium Act ("the Act"), the Non-profit Corporation Act of North Carolina, that certain Declaration of Condominium for COASTAL RETREAT CONDOMINIUM ("Declaration"), the Articles of Incorporation and these Bylaws, as may be amended from time to time. The Association shall not engage in any activities other than those directly related to administration of the Property and the Unit Owners' responsibility with respect to the same.

1.3 Applicability. These Bylaws are applicable to the Property described on Exhibit A attached to the Declaration. These Bylaws are binding on all present and future Unit Owners, tenants, guests, residents or other persons occupying or using the facilities of such Property. The mere acquisition, rental or act of occupancy of any part of the Property will signify that these Bylaws are accepted, ratified and will be complied with. The provisions of the Declaration regarding the governing and administration of the Association are incorporated herein by reference.

The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these Bylaws (and any Rules and Regulations made pursuant hereto) and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE II DEFINITIONS

The definition of words contained in the Declaration, Article I shall apply to those words and terms used in these Bylaws.

ARTICLE III OFFICES, REGISTERED AGENT, SEAL, FISCAL YEAR

3.1 Principal Office, Registered Office. The principal office of the Association shall be determined by the Board from time to time.

3.2 Registered Agent. The registered agent for the Association shall also be the registered agent for the Unit Owners and shall be appointed and removed from office at any time by a vote of the Board.

3.3 Fiscal Year. The fiscal year of the Association shall be January 1 through December 31.

ARTICLE IV MEMBERSHIP

4.1 Qualification. Membership in the Association shall be confined to and consist of the Unit Owners. Membership shall be appurtenant to and inseparable from Unit ownership. No Unit Owner ("Member") shall be required to pay any consideration whatsoever for membership. Membership in the Association shall inure automatically to Unit Owners upon acquisition of the fee simple title, whether encumbered or not, to any one or more Units. The date of registration of the conveyance in the Dare County Register of the Unit in question shall govern the date of ownership of each particular Unit. However, in the case of death, the transfer of ownership shall occur on the date of death in the case of intestacy, or date of probate of the will in case of testacy. Until a decedent's will is probated, the Association may rely on the presumption that a deceased Unit Owner died intestate.



4.2 Annual Meeting. There shall be an annual meeting of the Members held each year, for the purpose of electing the Board (or "Directors") and for the transaction of such other business as may be properly brought before the meeting.

4.3 Place of Meetings. Meetings of the Members shall be held at the location designated by the Board.

4.4 Special Meetings. Special meetings of the Members may be called at any time by the Board, the President or upon the written request of two (2) Members.

4.5 Notice of Meetings. Written, printed or electronic mail notice stating the place, day and hour of any meeting shall be delivered, mailed or sent not less than ten (10) days nor more than fifty (50) days prior to the date thereof, either personally or by fax or postage prepaid mail, at the direction of the Board, the President or Members calling the meeting, to each person entitled to vote at such meeting, and, to all First Mortgagees so requesting under the provisions of Article XII of the Declaration, who may request a representative to attend the meeting. Any Member may waive written notice and accept notice by telephone, in person or by any other method of communication.

Notice given to any one tenant-in-common, tenant by the entirety or other joint owner of a Unit shall be deemed valid notice to all joint owners of such Unit.

The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws and any proposal to remove Directors.

When a meeting is adjourned for less than thirty (30) 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 effective.

4.6 Quorum. Adjournment if no Quorum. The presence at any meeting, in person or by proxy, of Members owning at least four (4) of the total six (6) Units shall constitute a quorum. If there is no quorum at the opening of the meeting, such meeting may be adjourned from time to time by the vote of a majority of the Members present, either in person or by proxy, and at any adjourned meeting at which a quorum is present, any business may be transacted which may have been transacted at the original meeting.

The Members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave at least a quorum.



4.7 Voting.

(A) The total votes in the Association are six (6) with each Unit having one (1) vote. The votes allocated to the Unit may be cast by the Member who owns the Unit. When there is more than one Unit Owner of a Unit, the vote for that Unit shall be cast pursuant to the provisions of Section 47C-3-110(a) of the Act in effect at the time of the meeting.

(B) Except where a greater number is required by the Act, the Declaration or these Bylaws, approval by the majority of the Members present at a meeting of the Members with a quorum present is required to take any action at any meeting of the Members.

(C) No Member may vote at any meeting of the Members or be elected to or serve on the Board if payment of the assessment on such Unit Owner's Unit is delinquent more than thirty (30) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

4.8 Proxies. A vote may be cast in person or by proxy.

4.9 Prohibition of Cumulative Voting. There shall be no cumulative voting.

4.10 Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing, and such waiver shall be deemed to be equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by such Member of the time and place thereof, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all of the Members are present at any meeting of the Members, no notice shall be required, and any business may be transacted at said meeting.

4.11 Informal Action by Unit Owners. Any action which may be taken at a meeting of the Members may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Members and filed with the Secretary and kept in the Member's minute book.

ARTICLE V
EXECUTIVE BOARD

5.1 Number. The business and property of the Association shall be managed and directed by the Executive Board ("Board") composed of from three (3) to six (6) persons; provided, however, that the Board may not act on behalf of the Association to amend the Declaration, to terminate the Association, to exercise the Association's right of first refusal under



the Declaration, to elect Directors, or to determine the qualifications, powers, duties or terms of office of the Directors. The Board may, however, fill vacancies for the unexpired portion of any Director's term.

5.2 Election. Except as provided herein, the Directors shall be elected at the annual meeting of the Members. The Directors shall elect a President, a Secretary and a Treasurer ("Officers").

5.3 Term and Qualification. Each Director shall hold office until death, resignation, retirement, disqualification or until a successor is elected and qualified.

5.4 Removal. Directors may be removed from office with or without cause by the affirmative vote of at least four (4) Members.

5.5 Vacancies. The Members may elect a Director at any time to fill any vacancy of the Board.

5.6 Compensation. The Directors shall receive no compensation for their services unless expressly allowed by the affirmative vote of at least four (4) Members.

5.7 Annual Meeting. There shall be an annual meeting of the Directors held each year, for the purpose of electing the Officers and for the transaction of such other business as may be properly brought before the meeting.

5.8 Place of Meetings. Meetings of the Directors shall be held at the location in Dare County designated by the Board.

5.9 Special Meetings. Special meetings of the Directors may be called at any time by the Board, the President or upon the written request of two (2) Directors.

5.10 Notice of Meetings. Written, printed or electronic mail notice stating the place, day and hour of any meeting shall be delivered, mailed or sent not less than ten (10) days nor more than fifty (50) days prior to the date thereof, either personally or by fax or postage prepaid mail, at the direction of the Board, the President or Directors calling the meeting, to each person entitled to vote at such meeting. Any Director may waive written notice and accept notice by telephone, in person or by any other method of communication.

The notice of any meeting must state the time and place of the meeting and the items on the agenda and any proposal to remove Officers.



When a meeting is adjourned for less than thirty (30) 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 effective.

5.11 Quorum, Adjournment if no Quorum. A majority of Directors shall constitute a quorum. If there is no quorum at the opening of the meeting of the Directors, such meeting may be adjourned from time to time by the vote of a majority of the Directors present, and at any adjourned meeting at which a quorum is present, any business may be transacted which may have been transacted at the original meeting.

5.12 Voting.

(A) Except where a greater number is required by the Act, the Declaration or these Bylaws, approval by the majority of Directors present at a meeting of the Board with a quorum present is required to take any action at any meeting of the Board.

(B) No Unit Owner may vote at any meeting of the Board or be elected to or serve an office if such Unit Owner's Unit is delinquent more than thirty (30) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

5.13 Waiver of Notice. Any Director may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed to be equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall constitute a waiver of notice by such Director of the time and place thereof, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all of the Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at said meeting.

5.14 Informal Action by Unit Owners. Any Action which may be taken at a meeting of the Board may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Directors and filed with the Secretary and kept in the Board's minute book.

5.15 Powers and Duties of the Board. The Board shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things, except such acts as by law or the Declaration or by these Bylaws may not be delegated to the Board. Such powers and duties of the Board shall include, but shall not be limited to, the following:



(A) Determining the Common Expenses required for the affairs of the Association, including, without limitation, the operation and maintenance of the Property.

(B) Collecting the Common Expenses from the Unit Owners.

(C) Supervising the operation, care, upkeep and maintenance of the Common Elements.

(D) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements.

(E) Adopting and amending such reasonable Rules and Regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Unit Owners and Occupants of the Property. Written notice of such Rules and Regulations shall be given to all Unit Owners and Occupants, and the entire Property shall, at all times, be maintained subject to such Rules and Regulations.

(F) Opening bank accounts on behalf of the Association and designating the signatories required therefore.

(G) Entering any Unit when necessary in connection with any maintenance or construction for which the Board is responsible; provided that, except in the event of emergencies, such entry shall be made during reasonable hours with as little inconvenience to the Unit Owner as practical, and any damage caused thereby shall be repaired by the Association, with such expenses being treated as a Common Expense.

(H) Signing all agreements, contracts, deeds, easement agreements and vouchers for the payment of expenditures and other instruments.

(I) Obtaining insurance for the Property pursuant to the applicable provisions of the Declaration.

(J) Making or contracting for repairs, additions and improvements to, or alterations or restorations of, the Property in accordance with the other provisions of these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceeding.

(K) Contracting for all goods, services and insurance, payment for which is made from the Common Expense fund.



(L) Instituting, defending or intervening in litigation or administrative proceedings in the name of, or on behalf of, the Association or two or more Unit Owners on matters affecting the Association.

(M) Imposing charges for late payment of Assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, these Bylaws, or the Rules and Regulations established by the Association, all in accordance with Sections 47C-3-107 and 47C-3-107A of the Act.

(N) Exercising (i) all powers specifically set forth in the Declaration, the Articles of Incorporation, these Bylaws and the Act; (ii) all powers incidental thereto; and (iii) all other powers of a non-profit North Carolina corporation.

5.16 Powers and Duties of the Officers.

(A) President. The President shall be the chief executive officer of the Association; shall have all the powers and duties incident to the office of a president of a corporation, including, but not limited to, the duty to preside at all meetings of the Board and of the Members, and the general supervision of Officers in the management of the business and affairs of the Association; and shall see that all actions and resolutions of the Board are carried into effect.

(B) Secretary. The Secretary shall keep the minutes of all meetings and actions of the Board and of the Members; shall give all required notices to the Directors and Members; shall keep the records of the Association, except those kept by the Treasurer; shall perform all other duties incident to the office of a secretary of a corporation; and shall perform such other duties required by the President.

(C) Treasurer. The Treasurer shall have custody of all intangible property of the Association, including funds, securities and evidences of indebtedness; shall keep the books of the Association in accordance with good accounting practices and principles, and, upon request, shall submit them, together with all vouchers, receipts, records and other papers, to the Board for examination and approval; shall deposit all moneys and other valuable effects in depositories designated by the Board; shall disburse funds of the Association as directed by the Board; and shall perform all other duties incident to the office of a treasurer of a corporation.



ARTICLE VI
INDEMNIFICATION OF EXECUTIVE BOARD AND OFFICERS

The Association shall indemnify such persons, for such expense and liabilities, in such manner, under such circumstances and to such extent, as permitted by the appropriate sections of the North Carolina General Statutes, as amended.

ARTICLE VII
OPERATION OF THE PROPERTY

7.1 Assessment and Determination of Common Expenses. The Board shall from time to time, and at least annually, prepare a budget for the Association, for the purpose of determining the amount of the Assessments to be collected from the Unit Owners in order to provide for the Common Expenses of the Association, and allocate and assess such Common Expenses among the Unit Owners, according to their percentage of interest in the Common Elements as set forth in the Declaration, taking into consideration any expected income and any surplus from the prior year's operation. The Common Expenses shall include, without limitation, the expenses, costs and charges incurred in connection with the administration, operation and management of the Property; the cost of maintenance, repair, replacement and restoration of the Common Elements, or any part thereof; the cost of all insurance premiums on all policies of insurance required to be, or which have been, obtained by the Board pursuant to the provisions of the Declaration; such amounts as the Board may deem proper for the convenience, comfort and well-being of the Unit Owners, and for the operation, management and maintenance of the Property, including, without limitation, an amount for working capital of the Association, for a general operating reserve, for a reserve fund for replacements, and to make up an deficit in the Common Expenses for any prior year; in proper cases, the cost of administration and of maintenance and repair of the Limited Common Elements; and any other expenses lawfully agreed upon.

In establishing a reserve fund for replacements, the Board shall take into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement cost. The Board shall then set the required capital contribution in an amount sufficient to permit meeting the projected capital needs of the Association with respect to both amount and timing by equal annual installments over the applicable period. Within thirty (30) days after adoption by the Board, the Board shall provide a summary of the budget to all Unit Owners.



7.2 Payment of Assessments. The Unit Owners shall be obligated to pay (1) General Assessments for Common Expenses assessed by the Board from time to time, and at least semi-annually, in accordance with the percentage interest allocations set forth in the Declaration; (2) Special Assessments to be established and collected as provided herein; and (3) Specific Assessments against any Unit or Units which are established pursuant to the terms of these Bylaws. A late payment charge in an amount to be determined by the Board shall be assessed for any Assessment installment not paid within fifteen (15) days of its due date. Any installment not paid within fifteen (15) days of its due date shall be subject to the late payment charge and shall accrue interest as provided in Section 7.5, and shall constitute a lien on the Unit as provided in Section 7.6 of this Article VII.

A purchaser of a Unit shall be jointly and severally liable with the seller for the payment of Assessments assessed against such Unit prior to the acquisition by the purchaser of such Unit only if the purchaser expressly assumes such obligation in writing; provided, however, the lien assessed against such Unit shall remain in full force and effect. Any such purchaser shall be entitled to a statement from the Board setting forth the amount of the unpaid Assessments against the seller, and the Unit conveyed shall not be subject to a lien for any unpaid Assessments in excess of the amount shown on the statement. Provided, however, that a First Mortgagee who takes a deed in lieu of foreclosure shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Expenses assessed prior to the foreclosure sale or deed in lieu of foreclosure, and such unpaid Common Expenses shall be deemed to be Common Expenses collectible from all of the Unit Owners, including such purchaser, his successors and assigns.

7.3 Special Assessments. The Association may levy Special Assessments for Common Expenses not covered by the General Assessment, applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such Special Assessment must also be approved by at least four (4) Members at a meeting of the Members duly called for this purpose. Such Special Assessments shall be charged to the Units according to their percentage interests in the Common Elements. In addition, the Board may levy Specific Assessments against one or more, but less than all, of the Units to cover repairs or maintenance for which such Unit Owner or Unit Owners are responsible and which they have failed to make, or for repairs or maintenance required of a Unit Owner or Unit Owners which impair the value of the Common Elements or the Unit or Units, or expenses which are incurred in the abatement of, or as a result of, a violation by a Unit Owner or Unit Owners of the provisions of the Declaration, these Bylaws or the Rules and Regulations, or for fines levied for said violations, or where the Board has purchased a Unit on behalf of one or more Unit Owners. The period of Assessment and manner of payment of such Assessment shall be determined by the Board.



7.4 Collection of Assessments. The Board shall determine Common Expenses against the Unit Owner, and as the Board shall determine, take prompt action to collect any Assessments due from any Unit Owner which remain unpaid for more than fifteen (15) days from their due date.

7.5 Default in Payment of Assessments. In the event of a default by any Unit Owner in paying to the Board any amounts assessed by the Board, such Unit Owner shall be obligated to pay a late payment charge as established by the Board from time to time, and interest at the rate of six percent (6%) on such amounts from their due date; together with all expenses, including reasonable attorneys' fees (if permitted by law), incurred by the Board in collecting such unpaid sums.

7.6 Lien and Personal Obligation. Each Assessment provided for in this Article VII, together with late payment charges, interest, expenses, including reasonable attorneys' fees, shall be a charge on and a continuing lien upon the Unit against which the Assessment is made when a notice of such lien has been filed of record in the office of the Clerk of Superior Court of Dare County, North Carolina, in the manner provided by Article 8, Chapter 44, of the North Carolina General Statutes, provided such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of fifteen (15) days after the same shall become due. Said notice of lien shall also secure all Assessments against the Unit becoming due thereafter until the lien has been satisfied. Said lien may be foreclosed in the manner as a deed of trust on real property. Each such Assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is or was the Owner of such Unit at the time when the Assessment fell due.

7.7 Priority of Assessment Lien. The lien of the Assessments provided for in this Article VII shall be prior and superior to all other liens except (1) ad valorem taxes; and (2) all sums unpaid on deeds of trust, mortgages or other encumbrances against the Unit prior to the docketing of the Assessment lien. The sale or transfer of any Unit shall not affect the Assessment lien against such Unit. Provided, however, the sale of a Unit pursuant to the foreclosure sale or execution sale instituted by a superior lien holder or conveyance to a First Mortgagee by deed in lieu of foreclosure shall extinguish the inferior Assessment lien against the subject Unit but no such sale or transfer shall relieve such Unit from liability for any Assessments thereafter becoming due or for any future lien in connection therewith. The Association shall share in the excess, if any, realized by the sale of any Unit pursuant to a foreclosure or action instituted by a superior lien holder, to the extent of its lien.

7.8 Owner's Non-Use. No Unit Owner may exempt themselves from liability for Assessments and their other obligations to the Association by waiver of the use or enjoyment of any portion of the Common Elements or by the abandonment of sale of such Unit.



7.9 Foreclosure of Liens for Unpaid Assessments. Following the institution of any action by the Board to foreclose on a Unit because of unpaid Assessments, the Unit Owner shall pay a reasonable rental for the use of their Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the rental. The Board, acting on behalf of the Association, or on behalf of any one or more individual Unit Owners, if so instructed, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same, subject, however, to applicable restrictions of record. A suit to recover a money judgment for unpaid Assessments shall be maintainable without foreclosure or waiver of the Assessment lien. Where the First Mortgagee or the purchaser of a Unit obtains title to the Unit as a result of foreclosure of the First Mortgage, such purchaser, its successors and assigns, shall not be liable for the share of the Common Expenses or Assessments by the Board chargeable to such Unit which became due prior to the acquisition of title to such Unit by such purchaser. Such unpaid share of Common Expenses or Assessments shall be deemed to be a Common Expense collectable from all Unit Owners, including such purchaser, its successors and assigns.

7.10 Statement of Common Expenses. The Board shall promptly provide any Unit Owner, so requesting the same in writing, with a written statement of all unpaid charges due from such Unit Owner.

7.11 Abatement and Enjoinment of Violations by Unit Owners. The violation of any Rule or Regulation adopted by the Board or the breach of any Bylaw contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these Bylaws: (1) to enter the Unit in which, or as to which, such violation or breach exists, and to make any repairs and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition which may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach at the expense of the defaulting Unit Owner; (3) in any case of flagrant or repeated violation by a Unit Owner, to require such Unit Owner to give sufficient sureties for future compliance with such Association documents; or (4) after notice and an opportunity to be heard, to levy reasonable Assessments and fines in accordance with Sections 47C-3-107 and 47C-3-107A of the Act for such violations. The failure of the Board to so act with respect to any such violation or breach shall not be deemed a waiver of the Board's right to act with respect to the same or any other breach or violation.

7.12 Remedies Cumulative. All rights, remedies and privileges granted to the Association or the Unit Owner or Unit Owners pursuant to any terms, provisions, covenants or condition of the Declaration or other above-mentioned documents shall be cumulative, and the exercise of any one or more shall not constitute an election of remedies, nor shall it preclude the



party thus exercising the same from exercising such other additional rights, remedies or privileges as may be available to such party at law or in equity.

7.13 Non-waiver of Remedies.

(A) The failure of the Association or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration or the other above-mentioned documents shall not constitute a waiver of the right of the Association or the Unit Owner to enforce such right, provision, covenant or condition in the future.

(B) The failure of a First Mortgagee to enforce any right, provision, privilege, covenant or condition which may be granted to it or them by the Declaration or other above-mentioned documents shall not constitute a waiver of the right of said party or parties to thereafter enforce such right, privilege, covenant or condition.

ARTICLE VIII
FINANCIAL RECORDS AND STATEMENTS

8.1 Reports. The Board shall keep records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Members and financing records and books of account of the Association, including a chronological listing of receipts and expenditures for each Unit, which, among other things, shall contain the amount of each Assessment against each Unit, the date when due, the amounts paid and the balance remaining unpaid. The financial records and books of account shall be available for examination by all Unit Owners, their duly authorized agents or attorneys, and all lien holders, their attorneys and authorized agents, upon reasonable request.

8.2 Operating Expense Funds. All sums collected by the Association may be commingled in a single account, but they shall be held for the Unit Owners for the purpose for which they are paid, and shall include the following funds:

(A) General Common Expense Fund – to which shall be credited collection of that portion of the Common Expense Assessments received for defraying the costs of operating the Association on a day-to-day basis, including normal maintenance and repairs, insurance and related charges; and

(B) Capital Reserve Fund – to which shall be credited all sums collected which are to be allocated for capital expenditures for the reconstruction, repair and replacement of Common Elements at a future date.



8.3 Records. All books of account and financial records shall be kept in accordance with good and acceptable accounting principles. The Board shall prepare an annual financial statement for all Unit Owners on or before the 15th day of March following the close of each fiscal year.

ARTICLE IX AMENDMENTS TO BYLAWS

9.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting of the Members at which a proposed amendment is to be considered.

9.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed by any Member. Members of the Association not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be by not less than four (4) votes of the six (6) Members.

9.3 Limitation. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the First Mortgagees without the consent of said First Mortgagees in each instance. No amendment shall be made that is in conflict with the Articles of Incorporation of the Association or the Declaration without satisfaction of the requirements therein contained. No amendment to this Section shall be valid.

ARTICLE X MISCELLANEOUS

10.1 Ad Valorem Taxes. Each Unit shall be deemed to be a separate parcel and shall be separately assessed and taxed. Each Unit Owner shall be liable solely for the amount of tax assessed against their Unit and shall not be affected by the consequences resulting from the tax delinquency of other Unit Owners. All tangible personal property owned by the Association in connection with the maintenance, upkeep and repair of the Common Elements shall be listed for said taxes in the name of and paid by the Association. Each Unit Owner is also responsible for their pro rata share of taxes assessed on their portion of the Common Elements, if any.

10.2 Severability. Invalidation of any covenant, condition, restriction or other provision of the Declaration or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.



10.3 Successors Bound. The rights, privileges, duties and responsibilities set forth in the Declaration or these Bylaws, as amended from time to time, shall run with the ownership of the Property and shall be binding upon all persons who own or hereafter acquire any interest in the Property.

CERTIFICATION

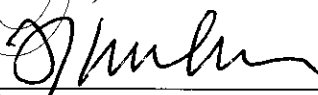
I, the undersigned, do hereby certify:

THAT, I am the duly elected and acting Secretary of Coastal Retreat Condominium Association, Inc., a North Carolina Corporation; and

THAT, the foregoing Bylaws constitute the amended Bylaws of said Association, as duly adopted at a meeting of the Members thereof held on the 6th day of November, 2010.

IN WITNESS WHEREOF, I have hereunto subscribed my name and title for said Association, this 13th day of APRIL, 2011.

COASTAL RETREAT CONDOMINIUM ASSOCIATION, INC.

BY: 
Thomas J. Williams, Secretary

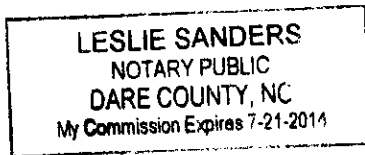
Unofficial Copy

STATE OF NORTH CAROLINA
COUNTY OF DARE

I, the undersigned Notary Public of the County and State aforesaid, certify that Thomas J. Williams, personally came before me this day and acknowledged that he is the Secretary of Coastal Retreat Condominium Association, Inc., a North Carolina Corporation, and that he, as Secretary being authorized to do so, executed the foregoing on behalf of Coastal Retreat Condominium Association, Inc.

Witness my hand and official seal this 13TH day of APRIL, 2011.

(stamp/seal)



Leslie Sanders
Leslie Sanders, Notary Public

My commission expires: July 21, 2014

Unofficial