

EXHIBIT C

BYLAWS

OF

SAILFISH VILLAS UNIT OWNERS' ASSOCIATION

A NORTH CAROLINA UNINCORPORATED ASSOCIATION

THE UNIT OWNERS ASSOCIATION

OF

SAILFISH VILLAS CONDOMINIUM

PIRATE'S COVE, MANTEO, NORTH CAROLINA

ADOPTED _____, 2005

BYLAWS

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BYLAWS
OF
SAILFISH VILLAS UNIT OWNERS' ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the Association is the Sailfish Villas Unit Owners' Association, a North Carolina unincorporated association. The principal office of the association shall be located in Pirate's Cove, U.S. Highway 64/264, Nags Head-Manteo Causeway, Manteo, North Carolina, 27954, but meetings of the Unit Owners and Directors may be held at such places within the State of North Carolina, County of Dare, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 2.1 "Declaration" shall mean that certain Declaration of Condominium for Sailfish Villas Condominium recorded in Book _____, Page _____, Dare County Registry, and such amendments to said Declaration as are duly filed for record in the Dare County Registry.

Section 2.2 The terms defined in Article I of the Declaration shall have the same meanings as set forth therein in the Bylaws.

ARTICLE III

MEMBERSHIP

An Owner of a Condominium Unit shall automatically become a member of the Association upon taking title to the Condominium Unit and shall remain a member for the entire period of ownership. If title to a Condominium Unit is held by more than one person, the membership shall be shared in the same proportion as the title, but there shall be only one membership per Condominium Unit. Membership does not

include a Mortgagee, and the giving of a Mortgage shall not terminate the Unit Owner's membership. Membership shall be appurtenant to the Condominium Unit to which it appertains, shall be transferred automatically by conveyance of that Condominium Unit, and may be transferred only in connection with the conveyance of title of that Condominium Unit.

ARTICLE IV

MEETINGS OF UNIT OWNERS

Section 4.1 Annual Meeting. The annual meeting of the Unit Owners shall be held in March of each year at such date and time as is determined by the Board of Directors for the purpose of transacting any business authorized to be transacted by the Unit Owners; provided, however, if that day is a legal holiday, this meeting shall be held at the same hour on the next succeeding day.

Section 4.2 Substitute Annual Meeting. If the annual meeting of the Unit Owners is not held as provided in Section 4.1, any business, including the election of Directors, which might properly have been acted upon at that meeting may be acted upon at any subsequent Unit Owners meeting held pursuant to these bylaws or to a court order requiring a substitute annual meeting.

Section 4.3 Special Meetings. Special meetings of the Unit Owners may be called at any time by the president, secretary, any two or more directors or upon written request of the Unit Owners who are entitled to vote one-fourth (1/4) of all of the Votes in the Association.

Section 4.4 Notice of Meetings. Written notice of each meeting of Unit Owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than seven (7) days nor more than sixty (60) days, unless otherwise stated in the Declaration, before such meeting to each Unit Owner entitled to vote thereat, addressed to the Unit Owner's address last appearing on the books of the Association, or supplied by each Unit Owner to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Proof of such mailings shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings by vote of the

Unit Owners of the Association.

Section 4.5 Quorum. The presence of the meeting of Unit Owners entitle to cast, or of proxies entitled to cast, a majority of the votes in the Association shall constitute a quorum for any action except as otherwise provided in the Condominium Instruments. If, however, such quorum shall not be present or represented at any meeting, the Unit Owners entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. The presence of a Unit Owner at the beginning of a meeting shall constitute the presence of such Unit Owner for the purpose of determining a quorum. The Vote of the Owners of a Condominium Unit owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate signed by all of the Owners of the Condominium Unit and filed with the Secretary of the Association. Such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the vote of such Unit Owners shall be cast only in accordance with the agreement of a majority in interest of the multiple Owners. Majority agreement is conclusively presumed if any of the multiple Owners casts the vote allocated to that Unit without protest from the other multiple Owners.

Section 4.6 Proxies. At all meetings of Unit Owners each Unit Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary no later than three (3) days prior to the scheduled meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Unit Owner of his Condominium Unit.

Section 4.7 Order. The order of business at annual Unit Owners' meetings, and, as far as practical at all other Unit Owners' meetings, shall be:

- a. Calling of the roll and certifying of proxies.
- b. Proof of notice of meetings or waiver of notice.
- c. Reading and disposal of any unapproved minutes.
- d. Unfinished business.
- e. New business.
- f. Adjournment.

Section 4.8 Conduct of Meetings. The President shall preside over all Unit Owners meetings. The Secretary shall keep a minute book with all resolutions adopted

by the Unit Owners, minutes of all meetings, and all written consents to actions taken without a meeting. Robert's Rules of Order (latest edition) shall govern the conduct of the meeting.

Section 4.9 Adjournments. Any meeting of the Unit Owners, whether or not a quorum is present, may be adjourned by a majority of the Votes at the meeting to reconvene at a specific time and place. It shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the time and place of the reconvened meeting are announced at the meeting which was adjourned. Any business may be transacted which could have been transacted at the meeting which was adjourned, if a quorum is present at the reconvened meeting.

Section 4.10 Action of Unit Owners Without a Meeting. Any action which may be taken at a meeting of the Unit Owners may be taken without a meeting if a written consent setting forth the action authorized, is signed by all of the Unit Owners. The consent shall be filed in the minute book or other appropriate records by the Secretary. It shall then have the same effect as a unanimous vote of the Unit Owners at a special meeting called for the purpose of considering the action authorized.

Section 4.11 Vote Required for Action. Except as otherwise provided in the Condominium Instruments or herein, the act of a majority of the Unit Owners at a meeting at which a quorum was present shall be the act of the Unit Owners.

ARTICLE V

BOARD OF DIRECTORS

Section 5.1 General Powers. The business and affairs of the Association shall be managed by the Board of Directors. The Board shall have all powers of the Association that are not required by law, the Condominium Instruments, or these Bylaws to be exercised by the Unit Owners. The powers of the Association include those set forth in Section 47C-3-102 of the North Carolina Condominium Act which is incorporated by reference herein as if set forth word for word.

Section 5.2 Qualifications. Each Director must be a Unit Owner, except those appointed by Declarant during the Declarant Control Period.

Section 5.3 Nomination. Nomination for election to the Board of Directors

shall be made by a nominating committee which shall consist of three (3) Unit Owners appointed by the President. The nominating committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected. Separate nominations shall be made for each seat on the Board for which a Director is to be elected. The nominations and the names of those on the nominating committee shall be included with the notice of the meeting. Nominations shall also be allowed from the floor at the meeting.

Section 5.4 Election. Subject to Section 5.5.1 hereof, election to the Board of Directors shall be by written ballot. At such election the Unit Owners or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The Unit Owner or Owners receiving the largest number of Votes shall be elected. Cumulative voting shall not be permitted.

Section 5.5 Number and Term of Office.

5.5.1 During the Declarant Control Period (as that term is defined in the Declaration), the Board shall consist of three (3) Directors appointed by Declarant. Each such Director shall serve at the pleasure of Declarant. Not later than sixty (60) days after conveyance of 25% of the Units expected to be built to Unit Owners other than the Declarant, one director shall be elected by the Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units expected to be built to Unit Owners other than the Declarant, not less than thirty-three percent (33%) of the members of the Board of Directors shall be elected by Unit Owners other than the Declarant.

5.5.2 After the expiration of the Declarant Control Period, the Board shall consist of not less than three (3) nor more than five (5) Directors with each having a one (1) year term of office. Directors replacing those appointed by Declarant shall be elected within ninety (90) days after the expiration of the Declarant Control Period. If the next annual meeting occurs within that time period, the election shall be held at the annual meeting. If not, a special meeting may be called by any Unit Owner for such purpose. In either case, Section 5.3 shall govern nominations. Each Director shall serve until his term expires and his successor has been elected and qualified, subject to removal, disqualification, or resignation.

Section 5.6 Removal. Any Director may be removed from office with or without cause by a majority of the votes in the Association. Removal action may be

taken at any annual or special meeting with respect to which notice of such purpose has been given. A removed Director's successor may be elected at the same meeting to serve the unexpired term.

Section 5.7 Vacancies. A vacancy occurring on the Board of Directors may be filled by a majority of the Directors remaining in office though less than a quorum of the Board of Directors. The Director so elected by the Board shall serve until the next annual meeting, at which time a Director shall be elected by the unit owners for the remaining term if any. Notwithstanding the foregoing provision, any vacancy occurring in an office on the Board of Directors held by an appointee of Roanoke Properties shall be filled by appointment by Roanoke Properties.

Section 5.8 Compensation. Directors shall not receive compensation for their services as Directors. A Director may serve the Association in another capacity and receive compensation, if disclosed to the Board in advance in writing.

Section 5.9 Committees of the Board of Directors. The Board may designate from among its members an executive committee and one or more other committees, each consisting of at least two (2) Directors. Each committee shall have the authority set forth in the resolution establishing the committee.

ARTICLE V

MEETINGS OF THE BOARD OF DIRECTORS

Section 6.1 Place of Meetings. Directors may hold their meetings at any place within reasonable proximity to the Condominium as the Board may from time to time establish.

Section 6.2 Regular Meetings. Regular meetings of the Board of Directors shall be held at least once every six (6) months on a regular schedule established by the Board.

Section 6.3 Special Meetings. Special meetings of the Board may be called by the President, the Secretary or any two Directors.

Section 6.4 Notice of Meetings. No notice shall be required for regularly scheduled meetings. Notice of each special meeting shall be given to each Director

stating the time, place and purpose of the meeting. The notice shall be given by mail deposited at least five (5) days before the meeting or by telephone, telegram, cablegram or personal delivery at least three (3) days before the meeting. Notice by telegram or cablegram shall be deemed delivered at the time the notice is filed with the transmitting agency. Notice by telephone or personal delivery shall be deemed effective only when actually communicated to the Director.

Section 6.5 Quorum. A quorum shall be deemed present throughout any meeting of the Board of Directors when Directors entitled to cast a majority of the votes on the Board are present at the beginning of the meeting.

Section 6.6 Voting. Except as otherwise provided by law or in the Condominium Instruments, the act of a majority of the Directors present at a meeting at which a quorum is present at the time shall be the act of the Board of Directors. Each Director shall have one equal vote on the Board regardless of the votes attributable to his condominium unit.

Section 6.7 Adjournments. Any meeting of the Board, whether or not a quorum is present, may be adjourned by a majority of the Directors present to reconvene at a special time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. Any business may be transacted which could have been transacted at the meeting which was adjourned, if a quorum is present at the reconvened meeting.

Section 6.8 Action by Directors without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent is signed by a majority of the Directors and is filed with the minutes of the Board. The consent shall have the same force and effect as a vote of the Board.

Section 6.9 Conduct of Meetings. The President shall preside over all meetings of the Board. The Secretary shall keep a minute book with all resolutions adopted by the Board, minutes of all meetings, and all written consents to actions taken without a meeting and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Elements, and the personal conduct of the Unit Owners and their tenants, invitees and guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right of use of the recreational facilities of the Pirate's Cove Homeowners' Association, Inc. of a Unit Owner during any period in which such Unit Owner shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days, for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager (subject to PCHA's right to approve the management company), an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(f) exercise such other powers as are conferred upon the Association by the Declaration;

(g) exercise all powers set forth in Section 47C-3-102 of the North Carolina Condominium Act.

Section 7.2 Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Unit Owners at the annual meeting of the Unit Owners, or at any special meeting which such statement is requested in writing by one-fourth (1/4) of the Unit Owners who are entitled to vote;

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the quarterly assessment against each Condominium Unit at least thirty (30) days in advance of each quarterly assessment period;

(2) send written notice of each change in the quarterly assessment to every Owner subject thereto at least thirty (30) days in advance of each quarterly assessment period; and

(3) foreclose the lien against any Condominium Unit for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same in accordance with and as authorized by the Declaration.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate, unless the Board of Directors shall, in their sole discretion, waive the requirement for said bond;

(f) cause the Common Elements to be maintained;

(g) to perform all other duties imposed by the Declaration;

(h) procure the insurance coverages set forth and required by the Declaration on behalf of the Association;

(i) keep financial records sufficiently detailed to enable the Association to comply with the North Carolina Condominium Act, Chapter 47C of the N.C. General Statutes. All financial and other records shall be made reasonably available for examination by any Unit Owner and his authorized agents; and

(j) to perform such other duties as imposed by the Declaration.

ARTICLE VIII

OFFICERS

Section 8.1 Number. The officers of the Association shall consist of a President, one or more Vice Presidents as designated by the Board, a Secretary, a Treasurer and one or more Assistant Secretaries and Treasurers as designated by the Board. The Association shall not be required to have at any time any officers other than a President, Secretary and Treasurer. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 8.2 Election and Term. All officers shall be elected by the Board and shall serve at the pleasure of the Board. Only Directors shall qualify to hold the offices of President, Secretary and Treasurer.

Section 8.3 Compensation. Any compensation of officers shall be fixed by the Board, subject to the approval of Unit Owners having a majority of votes in the Association.

Section 8.4 Removal. Any officer or agent elected by the Board may be removed by the Board at any meeting with respect to which notice of such purpose has been given to the Directors.

Section 8.5 President. The President shall be the chief executive officer of the Association and shall have responsibility for the general supervision of the business of the Association. He shall see that all orders and resolutions of the Board are carried into effect. The President shall perform such other duties as may from time to time be delegated to him by the Board. He shall have all the general powers and duties which

are incident to the office of the President of an unincorporated association under the laws of North Carolina.

Section 8.6 Vice President. The Vice President shall, in the absence of disability of the President, or at the direction of the President, have the duties and powers of the President. If the Association has more than one Vice President, the Board shall designate one of them to act for the President. Vice Presidents shall have whatever duties and powers the Board may from time to time assign.

Section 8.7 Secretary. The Secretary shall keep accurate and complete records of all meetings of Unit Owners, Directors and committees of Directors, including minutes of the meetings, all resolutions adopted and all consents to actions without a meeting. He shall have authority to give all notices required by law, the Condominium Instruments or these Bylaws. He shall be custodian of the Association's books, records, contracts and other documents. The Secretary shall sign such instruments as may require his signature. The Secretary shall have whatever additional duties and powers the Board may from time to time assign him or may be incident to the office of secretary of an unincorporated association organized under the laws of North Carolina.

Section 8.8 Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse them under the direction of the Board. The Treasurer shall keep full and true accounts of all receipts and disbursements and shall make reports to the Board and President upon request. He shall perform all duties as may be assigned to him from time to time by the Board. The Treasurer shall prepare or cause to be prepared all required financial statements, tax returns and budgets. If the Association employs a property manager, accountant, attorney or other agent, the duties may be delegated to the agent. However, the Treasurer shall remain responsible for supervising the agent.

Section 8.9 Assistant Secretary and Assistant Treasurer. The Assistant Secretary and Assistant Treasurer shall, in the absence or disability of the Secretary or the Treasurer, respectively, have the duties and powers of those offices. They shall, in general, perform any other duties assigned to them by the Board. Specifically, the Assistant Secretary may attest the signature of any officer.

Section 8.10 Bonds. The Board may require, at its sole discretion, any and all of the officers, agents or employees of the Association to give bonds to the Association, with sufficient surety, conditioned on the faithful performance of the

duties of their respective offices or positions.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year, except that the first year shall begin on the date the Association files a Certificate of Assumed Name in the Dare County Registry.

Section 9.2 Inspection of Books and Records. All accounts, books and records of the Association, including the Condominium Instruments, shall be open to inspection by the Unit Owners, mortgagees and prospective purchasers during normal business hours subject to such reasonable rules as the Board may establish.

Section 9.3 Indemnification. Each Director or Officer shall be indemnified by the Association against those expenses which are allowed by the laws of North Carolina and which are reasonably incurred in connection with any action, suit or proceeding, whether completed, pending or threatened, in which such person may be involved by reason of his being or having been a Director or Officer. Indemnification shall be made only in accordance with the laws of North Carolina. The Association may purchase and maintain insurance on behalf of any such Officers and Directors against any liabilities asserted against them whether or not the Association would have the power to indemnify the Officers and Directors against the liability under the laws of North Carolina. If any expense or other amounts are paid by way of indemnification, other than by court order, by action of unit owners or by an insurance carrier, the Association shall provide notice of such payment to the unit owners in accordance with the laws of North Carolina.

Section 9.4 Waiver of Notice. Whenever an notice is required to be given to any Unit Owner or Director, a waiver signed by the Director or Unit Owner entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent to proper notice. Attendance at a meeting, whether in person or by proxy, shall be a waiver of notice of the time and place unless specific objection to improper notice is made when the meeting is called to order. Attendance shall also be a waiver as to all business transacted unless specific objection is made before the objectionable business is put to vote.

Section 9.5 Amendment. These Bylaws may be amended in the same manner in which the Declaration may be amended without the filing of record of such amendment in the Dare County Registry.

Section 9.6 Self-Dealing. Each Director and Officer and any property manager shall disclose in the written minutes of the Board any contract or agreement of any kind between the Association and any person or entity to which he is related by blood or marriage or in which he has an interest, whether direct or indirect.

Section 9.7 Conflicts. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the Directors of Sailfish Villas Unit Owners' Association, have hereunto set our hands this _____ day of _____, 2005.

Director

Director

Director

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Sailfish Villas Owners' Association, a North Carolina unincorporated association, and that the foregoing Bylaws constitute the original Bylaws of such Association, and were duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name this _____ day of _____, 2005.

Secretary