

**Bylaws
Of
Sea Harbour Condominium Yacht Club, Inc.**

A corporation not for profit under the laws of the State of North Carolina

1. **IDENTITY**: These are the Bylaws of Sea Harbour Condominium Yacht Club, Inc., a non-profit corporation under the laws of the State of North Carolina, the Articles of Incorporation of which were filed in the office of the Secretary of State on May 29, 1990. Sea Harbour Condominium Yacht Club, Inc. has been organized for the purpose of administering the operation and management of Sea Harbour Club, a condominium established or to be established in accordance with the laws of the state of North Carolina upon the property situated, lying and being in Pamlico County, North Carolina, and described in the Declaration of Condominium which is Exhibit "A" attached hereto and incorporated herein by reference ("the Declaration").

A. The provisions of these Bylaws are applicable to Sea Harbour Condominium Yacht Club, Inc. and the terms and provisions hereof are expressly subject to the terms, provisions, conditions and authorization contained in the Articles of Incorporation, and which may be contained in the formal Declaration which will be recorded in the public records of Pamlico County, North Carolina, at the time such property or properties and the improvements now or hereafter situated thereon are submitted to the plan of condominium ownership, the terms and provisions of such Articles of Incorporation and Declaration to be controlling wherever the same may be in conflict herewith.

B. All present or future owners, tenants, future tenants, or their employees, or any other person that might use Sea Harbour Club or any of the facilities including the piers, docks, and other marina facilities thereof in any manner, are subject to the regulations set forth in these Bylaws and the Articles of Incorporation ;and Declaration.

C. The principal and registered office of the Association shall be 6020 Harbour Way, Oriental, Pamlico County, North Carolina.

D. The fiscal year of the Association shall be the calendar year, except that in the initial year of operation of the condominium, the fiscal year shall commence with the closing of the sale of the first unit.

E. The definitions in Article II of the Declaration are incorporated herein by reference.

2. **MEMBERSHIP, VOTING, QUORUM, PROXIES**:

A. The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members shall be as set forth in the Articles of Incorporation, the provisions of which are incorporated herein by reference.

B. A quorum at members' meetings shall consist of persons entitled to cast twenty percent (20%) of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

C. Each individual unit of membership is entitled to one vote. The vote of the owners of a unit owned by more than one person shall be cast by the one person named in a certificate signed by all of the owners of the unit and filed with the Secretary of the Association, and such certificate shall be valid until revoked by subsequent certificate.

D. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designed thereon and must be filed with the secretary before the appointed time of the meeting.

E. Approval or disapproval of a member upon any matter, whether or not the subject of a corporate meeting, shall be by the same person who cast the vote of such owner if in a corporate meeting.

F. Except where otherwise required under the provisions of the Articles of Incorporation, these Bylaws, the Declaration, or whether the same may otherwise be required by law, the affirmative vote of the persons entitled to cast a majority of the votes at any duly called members' meeting at which a quorum is present shall be binding upon the members.

3. ANNUAL AND SPECIAL MEETING OF MEMBERSHIP:

A. The first annual meeting shall be held within one (1) year from the date of incorporation. Until such time, the Association shall be managed and controlled by the initial Board of Directors as provided for in Article 4 herein below. The annual members' meeting shall thereafter be held at such hour and place designated by the Board, on the first Saturday in March of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members, provided, however, that if the day is a legal holiday, the meeting shall be held at the same time on the following day.

B. Special members' meeting shall be held whenever called by the Commodore or Vice-Commodore or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from members of the Association owning a majority of the units.

C. Notice of all members' meeting, regular or special, shall be given by the Commodore, Vice-Commodore or Secretary of the Association, or other officer of the Association in absence of those officers, to each member, unless waived in writing. Such notice shall be written or printed and shall state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting. The notice shall be mailed or presented personally to each member within that time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice shall be deemed to be properly given when deposited in the United States mail, postage prepaid and addressed to the member at his post office address as

it appears on the records of the Association (register of owners) as of the date of mailing such notice. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any member may, by signed written Waiver of Notice, waive such notice and, when filed in the records of the Association whether before or after the holding of the meeting, such waiver shall be deemed equivalent to the giving of notice to the member. If any members' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended (wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these Bylaws or the Declaration), the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than a quorum, is present.

D. The order of business at annual members' meetings and, as far as practical, at any other members' meetings, shall be:

- i) Calling of the roll and certifying of proxies;
- ii) Proof of notice of meeting or waiver of notice;
- iii) Reading and disposal of any unapproved minutes;
- iv) Reports of officers;
- v) Reports of committees;
- vi) Appointment of inspectors of election by Chairman;
- vii) Unfinished business;
- viii) New business; and
- ix) Adjournment

4. **BOARD OF DIRECTORS:**

A. The first Board of Directors of the Association shall consist of three (3) persons whose terms shall expire on the date of the first annual meeting of the members of the Association stated herein above. Each succeeding Board shall consist of five (5) persons. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the members of the Board of Directors shall be elected by unit owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the units 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. The Declarant shall have the right to designate and select all other persons who shall serve as members of the Board of Directors of the Association. No such director shall be required to be an owner in the condominium.

B. Subject to the provisions of the foregoing Section 4A, election of Directors shall be conducted in the following manner:

(i) Beginning with the first annual meeting of the membership of the Association, stated hereinabove, all members of the Board shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association.

(ii) Vacancies in the Board may be filled until the date of the next annual meeting by the remaining Directors.

(iii) At the first annual meeting of the members of the Association, the term of office of the three (3) Directors receiving the highest plurality of votes shall be established at two (2) years, and the terms of office of the other two Directors shall be established at one (1) year. Thereafter, as many Directors of the Association shall be elected at the annual meeting as there are regular terms of the office of Directors expiring at such time, and the term of office of the Directors so elected at the annual meeting of the members each year shall be for two (2) years expiring at the second annual meeting following their election, and thereafter until their successors are duly elected and qualified, or until removed in the manner elsewhere provided or as may be provided by law.

(iv) In the election of Directors, there shall be appurtenant to each unit, one vote for each Director to be elected.

(v) In the event that Declarant, in accordance with the rights herein established, selects any person or persons to serve on any Board of Directors of the Association, Declarant shall have the absolute right at any time, in its sole discretion, to replace such person or persons with another person or persons. Replacement of any person or persons designated by Declarant to serve on the Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the person or persons designated as successor or successors to the persons so removed. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Declarant to any officer of the Association.

C. The organizational meeting of each newly elected board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary provided a quorum shall be present.

D. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Commodore. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting.

E. Special meetings of the Directors may be called by the Commodore, and must be called by the Secretary at the written request of any two (2) Directors. No less than three (3) days notice of a meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

F. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

G. A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes cast at a meeting at which a quorum is present shall constitute the acts of the Board, except as specifically otherwise provided in the articles of Incorporation or these Bylaws or the Declaration. If any Directors' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these Bylaws or Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

H. Directors' fees, if any, shall be determined by vote of the members at any annual meeting of the membership.

I. All of the powers of and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of incorporation of the Association, these Bylaws and the Declaration. Such powers and duties shall be exercised in accordance with those Articles of Incorporation, these Bylaws and the Declaration, and shall include, without limiting the generality of the foregoing, the following:

(i) To make, levy and collect dues against members and members' units to defray the costs of the condominium, as provided for in the Declaration which powers are herein incorporated by reference, and to use said dues in the exercise of the powers and duties granted the Association. Provided, however, the annual dues may not be increased more than fifteen percent (15%) above the maximum dues for the previous year without a vote of the membership.

(ii) To maintain, repair, replace, operate and manage the common areas and facilities wherever the same is required to be done and accomplished by the Association for the benefit of its members and, further, to approve any expenditures made or to be made for said purposes.

(iii) To reconstruct any part of the common property after casualty in accordance with the Declaration; to make further improvement to the common property, real and personal; to enter into any and all contracts, necessary or desirable to accomplish said purposes; and to assess and collect the cost thereof in excess of any insurance proceeds available as provided in the Declaration.

(iv) To make, amend and enforce rules and regulations governing the use of the common property and units.

(v) To acquire, operate, lease, manage, and otherwise trade and deal with the property, real and personal, including units in the condominium as may be necessary or convenient in the operation and management of the condominium, and in accomplishing the purposes set forth in the Declaration, provided that the acquisition of real property other than units shall require the approval of the Association.

(vi) To acquire now or at any time hereafter, and to enter into leases and agreements whereby the Association acquires or conveys leaseholds, memberships, and other possessory or use interests in lands or facilities including but not limited to, piers, docks, marina facilities and other recreational facilities whether or not contiguous to the lands of the condominium to provide enjoyment, recreation, or other use or benefit to the owners of units.

(vii) To contract for the management of the condominium and to designate to such a contractor any or all of the powers and duties of the Association, except those which may be required by the Declaration to have approval of the Board of Directors or membership of the Association.

(viii) To enforce by legal means or proceedings the provisions of the Articles of Incorporation and Bylaws of the Association, the Declaration and the rules and regulations hereinafter promulgated governing use of the common property in the condominium.

(ix) To pay all taxes and assessments which are now or may become liens against any part of the units and the appurtenances thereto and to assess the same against the members and their respective units subject to such liens.

(x) To purchase insurance for the protection of the members and the Association against casualty and liability in accordance with the Declaration.

(xi) To pay all costs of power, water, sewer and other utility services rendered to the condominium and not billed to the owners of the separate units.

(xii) To designate and remove personnel necessary for the maintenance, repair, replacement and operation of the condominium, including the common property.

J. The initial Board of Directors of the Association shall be comprised of three (3) persons designated to act and serve as Directors in the Articles of incorporation, and they shall serve until their successors are elected at the first annual meeting of the members of the Association. Any member of the initial Board shall serve solely at the convenience of the Declarant and the Declarant shall have the right to select and designate a person to act and serve as a replacement Director.

K. The undertaking and contracts authorized by the initial Board of Directors shall be binding upon the Association in the same manner as though such undertakings and contracts have been authorized by the Board duly elected by the membership after the property identified herein has been submitted to the plan of condominium ownership, so long as such undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board in accordance with all applicable condominium documents.

L. Any one or more Directors, other than those appointed by the Declarant may be removed by vote of members owning a majority of units in the condominium at any annual meeting or at any special meeting of members called for such purpose.

M. Notwithstanding the foregoing provisions of this Article 4, until such time as three-fourths (3/4) of the units in the project have been conveyed to others by Declarant, the Declarant shall appoint three (3) members to the said Board, and may from time to time, with or without cause, remove and replace same.

5. **OFFICERS:**

A. The executive officers of the Association shall be a Commodore (who shall be a Director), a Vice-Commodore, a Treasurer, a Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by a vote of the Directors at any meeting. Any person may hold two or more offices, except that the Commodore shall not also be Vice-Commodore, Secretary or an Assistant Secretary. The Board shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

B. The Commodore shall be the Chief Executive officer of the Association, and shall preside at all meetings of the members. He shall have all of the powers and duties which are usually vested in the office of the president of any corporation, including, but not limited to, the power to appoint committees from among the members from time to time as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the association.

C. The Vice-Commodore shall, in the absence or disability of the Commodore, exercise the powers and perform the duties of Commodore. He shall also generally assist the Commodore and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

D. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and service of all notices to the members and Directors, and such other notices required by law. He shall have custody of the seal of the Association and shall affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary and as may be required by the Directors or the Commodore. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent or unavailable.

E. The Treasurer shall have the custody of all of the intangible property of the Association, including funds, securities and evidences of indebtedness. He shall keep, or supervise the keeping of, the assessment rolls and accounts of the members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

F. The compensation of all officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association, nor preclude the contracting with a director for the management of the condominium.

G. All officers shall serve at the pleasure of the Board of Directors and any officer may be removed from office at any time, with or without a cause, by a majority vote of the Board.

6. **MEMBERSHIP COMMITTEE**: The Board shall appoint a membership committee which shall have the powers and duties assigned to it in the Declaration and such other responsibilities as the board shall require.

7. **FISCAL MANAGEMENT**: The provisions for fiscal management of the Association set forth in the Declaration and Articles of Incorporation shall be supplemented by the following provisions:

A. An assessment roll shall be maintained in a set of accounting books in which there shall be an account for each unit. Such account shall designate the name and address of the unit owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

B. The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to, the following:

(i) Common expense budget, which shall include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of and capital improvements to the common property including the marina facilities, landscaping, street and walkways, office expense, utility services, casualty insurance, liability insurance, administration and reserves (operating and capital improvement replacement), and management fees; membership, and other possessory and use interests inlands or facilities whether or not contiguous to the lands of the condominium, to provide enjoyment, recreation or other use or benefit to the unit owners; and

(ii) Proposed dues. Copies of the proposed budget and proposed assessments of the year for which the budget is made shall be transmitted to each member at the time of notification of the annual membership meeting. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished to each member concerned. Delivery of a copy of any budget or amended budget to each member shall not affect

the liability of any member for any such assessments, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors, at any time in their sole discretion, to levy any additional assessments in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

C. The depository of the Association shall be such bank or other corporate depository as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such person or persons as are authorized by the Directors.

D. An internal accounting of the accounts of the Association shall be made annually by a committee appointed by the Board of Directors and consisting of a board member, a qualified general member, the Secretary and the Treasurer and a copy of the report shall be presented by this committee at the general membership meeting of the year following the year for which the report is made.

E. Fidelity bonds may be required by the Board from all officers and employees of the Association and from any contractor handling or responsible for corporate funds. The amount of such bonds, if any, shall be determined by the Directors. The premiums on such bonds shall be paid by the Association.

8. **PARLIAMENTARY RULES**: Robert Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the articles of Incorporation and these Bylaws or with the Statutes of the State of North Carolina.

9. **INFORMATION AVAILABLE**: The Association shall make available to the unit owners and lenders, and to holders, insurers and guarantors of any first mortgage, a current copy of each of the following: the Declaration, Bylaws, Rules and Regulations concerning the Association, and the books, records and financial statements thereof..

“Available” means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

10. **AMENDMENTS TO BYLAWS**: Amendments to these Bylaws shall be proposed and adopted in the following manner:

A. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by members owning a majority of the units, whether meeting as members or by instrument in writing signed by them.

B. Upon any amendment or amendments to these Bylaws being proposed by the Board of Directors or members, such proposed amendment or amendments shall be transmitted to the Commodore, or other officer of the Association in the absence of the Commodore, who shall thereupon call a special joint meeting of the Board and the members for a date not sooner than

twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments and it shall be the duty of the Secretary to give each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members if required as herein set forth.

C. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of a majority of the entire membership of the Board of Directors and by an affirmative vote of the members owning not less than a majority (fifty-one percent) of the units. Thereupon, such amendment or amendments shall be transcribed, certified by the Commodore and Secretary of the Association, and a copy thereof shall be recorded in the public records of Pamlico County, North Carolina, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the members. No amendment shall become operative or effective until it shall have been duly recorded.

D. Upon the approval and proper recording of any amendment or amendments, the same shall become binding upon all unit owners.

E. At any meeting held to consider any amendment or amendments to the Bylaws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

F. Notwithstanding the foregoing provisions of this Article 10, no amendment to these Bylaws which shall abridge, amend, or alter the right of the Declarant to designate and select members of each Board of Directors of the Association, as provided in Article 4 hereof, may be adopted or become effective without the prior written consent of the Declarant.

11. **CHARGES FOR LATE PAYMENTS, FINES:** The Association may provide for a hearing before an adjudicatory panel to determine if a unit owner shall be fined not to exceed one hundred fifty dollars (\$150.00) for a violation of the Declaration, Bylaws or Rules and Regulations of the Association. Such panel shall accord to the party charged with the violation notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. Such a fine shall be an assessment secured by lien under G.S. 47C-3-116.

12. **VIOLATION:** The Board of Directors shall have the absolute authority to determine, in its sole discretion, what constitutes a violation of these Bylaws, the Declaration, or the Rules and Regulations of the Association, and shall take such action as it deems appropriate to remedy such violation.

13. **CHANGE OF VESSEL BY MEMBER:** To prevent damage to vessels and the common areas, boatslips are restricted to vessels of specified dimensions. Upon initiation of membership, the new unit owner shall present to the Board a photograph of his vessel and a schedule showing the dimensions of his vessel to be moored in the boatslip, which photograph and schedule shall become a part of the Association's permanent record. Any change of vessel or in the initial dimensions of a member's vessel is prohibited except by written permission of the Board of Directors.

14. **COMPLIANCE**: These Bylaws are set forth to comply with the requirements of the Unit Ownership Act, Chapter 47C of the General Statutes of North Carolina. In the event that any of these Bylaws conflict with the provisions of that law, it is hereby agreed and accepted that the provisions of the statute shall apply.

The foregoing were adopted as the Bylaws of SEA HARBOUR CONDOMINIUM YACHT CLUB, INC., a non-profit corporation under the laws of the State of North Carolina, at the first meeting of the Board of Directors on the 18th day of July, 1990.