

**Amended and Restated Bylaws of  
Durant Station Condominium Association, Inc.**

ARTICLE I

PLAN OF CONDOMINIUM; PURPOSES AND POWERS OF THE ASSOCIATION

Section 1. Condominium. Durant Station Condominium, hereinafter the "Condominium," located near the Village of Hatteras, Hatteras Township, Dare County, North Carolina, is subject to the provisions of Chapter 47C of the General Statutes of North Carolina, the North Carolina Condominium Act (hereinafter the "Act"). The Board of Directors (Executive Board) shall administer the Condominium, subject to the powers of the owners as specified in these Bylaws and in the Act.

Section 2. Personal Application. All present and future owners, tenants and future tenants, and their employees, and any other person that at any time may use the facilities of the Condominium in any manner are subject to the regulations set forth in these Bylaws and to the declarations set forth in the Amended and Restated Declaration of Condominium (hereafter referred to as Declaration).

The mere acquisition or rental of any of the Condominium Units (hereafter referred to as "Units") or the mere act of occupancy of any of said units will signify that these Bylaws, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 3. Purposes of the Association. The Association was organized for the purpose of operating and managing the Condominium in accordance with Chapter 47C of the Act. To that end the Association shall have power and authority:

(a) To undertake the performance of, and carry out the acts and duties incident to the administration of the operation and management of the Condominium in accordance with the terms, provisions, conditions and authorization contained in the Articles of Incorporation of the Association and in the Declaration;

(b) To make, establish and enforce reasonable rules and regulations governing the use of Condominium Units, Common Elements, Limited Common Elements, Condominium property and real and personal property which may be owned by the Association itself;

(c) To make, levy and collect assessments against Condominium Unit Owners; to provide the funds to pay for common expenses of the Condominium as provided in the Condominium documents and the Act, and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association;

(d) To maintain, repair, replace and operate the Condominium property, specifically including all portions of the Condominium property to which the Association has the right and power to maintain, replace and operate in accordance with the condominium documents and the Act;

(e) To reconstruct improvements within the Condominium property in the event of casualty or other loss;

(f) To enforce by any legal means the provisions of the Condominium documents, including the Declaration, the Amended and Restated Articles of Incorporation of the Association, these Bylaws, and the rules and regulations for the use of the Condominium property; and

(g) To contract for the management of the Condominium and to delegate to such manager or managers all power and duties of the Association, except those powers and duties which are specifically required by the Declaration to have approval of the Board of Directors and/or the membership of the Association.

Section 4. Powers of the Association. The Association shall have all of the common law and statutory powers of a nonprofit corporation which are not in conflict with the terms of the Condominium Declaration and the Act, and in addition shall have all of the powers of Condominium Associations under and pursuant to the Act, including all of the powers reasonably necessary to implement the purposes of the Association.

## ARTICLE II

### THE OWNERS

Section 1. Owners. The Condominium is owned by the Owners of the Units, and for each Unit, there shall be allocated to the Owner of record a voting share, which shall be identical to the Owner's percentage share of ownership in the Condominium, to be exercised by the Unit Owner. Only Owners who are in "good standing" will be entitled to vote. ("Good standing" shall mean being fully current relative to financial obligations to the Association). No lessee, lien holder, mortgagee, pledge or contract purchaser shall have any voting rights with respect to the affairs of the Condominium Association.

Section 2. Annual Meetings. The Condominium shall hold each year an annual meeting of Owners for the election of Directors and the transaction of any business within the powers of the Condominium, at such time and place as shall be determined by the Board of Directors. Any business of the Condominium may be transacted at an annual meeting without being specifically required by statute, by the Declaration or these Bylaws to be stated in the notice. Failure to hold an annual meeting at the designated time shall not, however, invalidate the Condominium's existence or affect its otherwise valid acts.

Section 3. Special Meetings. At any time in the interval between annual meetings, special meetings of the Condominium may be called by the President or by a majority of the Board of Directors by vote at a meeting, or in writing with or without a meeting, or by one-third ( $\frac{1}{3}$ ) of the record Owners of Condominium Units.

Section 4. Place of Meeting. All meetings of owners shall be held at the location designated by the Board of Directors. Location of, or any change of location, shall require a minimum of ten (10) days notice to the Owners.

Section 5. Notice of Meetings. Not less than ten (10) days nor more than sixty (60) days before the date of every meeting of Owners, the Secretary shall give to each Owner entitled to vote at such meeting, written or printed notice stating the time and place of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, either by mail and/or electronic mail, at the last known address, or by presenting the notice to the Owner in person or by leaving the notice at the Owner's primary residence or usual place of business. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the Owner at the Owner's mailing address as it appears on the records of the Condominium, with postage prepaid. If sent by electronic mail, on the date sent. Notwithstanding the foregoing provision, a waiver of notice in writing signed by the person or persons entitled to such notice in and filed with the record of the meetings, whether before or after the holding thereof or actual attendance at the meeting in person or by proxy, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of Owners, annual or special, may adjourn from time to time to reconvene at the same or some other permitted place, and no notice need be given of any such adjourned meeting other than by announcement.

Section 6. Quorum. At any meeting of Owners, the presence in person or by proxy of Owners entitled to cast a majority of votes shall constitute a quorum; but this section shall not affect any requirement under statute or under the Declaration for the vote necessary for the adoption of any measure. In the absence of a quorum, the Owners present may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. Votes Required. A majority of the voting shares cast, by those entitled to vote, at a meeting of Owners, duly called and at which a quorum is present, shall be sufficient to take or authorize action upon any matter which may properly come before the meeting, unless more than a majority of voting shares cast is required by the Act, or by the Declaration, or by these Bylaws.

Section 8. Proxies. Any Owner may vote either in person or by proxy executed in writing by the Owner or by such Owner's duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from its date, unless otherwise provided in the proxy. This provision does not prohibit the use of "perpetual proxies" at the discretion of both the Board of Directors and individual Unit Owners, which can remain in effect until rescinded by the Owner. Every proxy shall be in

writing, subscribed by the Owner or by such Owner's duly authorized attorney-in-fact, dated, sealed, and notarized in a fashion which would be recordable shall it be necessary for such proxy to be recorded with documents relating to the Condominium affairs. If signed by an attorney-in-fact, a true copy of the signed power of attorney shall be attached to the proxy.

Section 9. List of Owners. At each meeting of Owners, a full, true and complete alphabetical list of all Owners entitled to vote at such meeting shall be furnished to the Chairman of the meeting by the Secretary.

Section 10. Voting. In all elections for Directors, every Owner entitled to vote shall have the right to vote, in person or by proxy, for as many persons as there are directors to be elected. At all meetings of Owners, the proxies and ballots shall be received, and all questions touching the qualification of voters and the validity of proxies and the acceptance or rejection of votes shall be decided by the Chairman of the meeting. Unless demanded or ordered by a majority of Owners' voting shares present, no vote need be by ballot, and voting need not be conducted by inspectors.

Section 11. Informal Action by Owners. Any action required or permitted to be taken at any meeting of Owners may be taken without a meeting, if consent in writing, setting forth such action, is signed by all Owners entitled to vote on the subject matter thereof, provided said consent is filed with the records of the Condominium.

Section 12. Action by Owners without a Meeting. Pursuant to Section 55A-7-08 of the North Carolina General Statutes, any action that may be taken at any annual, regular, or special meeting of the Owners may be taken without a meeting if the Association delivers a written ballot to every Owner entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the same total number of votes were cast. All solicitations for votes by written ballot shall indicate the time by which a ballot shall be received by the Association in order to be counted. A written ballot shall not be revoked.

Section 13. Attendance and Voting.

(a) Any Owner (or the Owner's proxy) not physically present at a meeting of Owners, may attend the meeting by electronic or other means of remote communication that allow the Owner or Proxy (as the case may be) (i) to read or to hear the meeting proceedings substantially concurrently as the proceedings occur, (ii) to be read or to be heard substantially concurrently as the shareholder or proxy communicates, and (iii) to vote on matters to which the shareholder or proxy is entitled to vote.

(b) In the case of an action without a meeting, any Owner (or the Owner's proxy) may cast a vote by electronic mail or other electronic means approved by the Board of Directors.

### ARTICLE III

#### BOARD OF DIRECTORS

Section 1. Powers. The business and affairs of the Condominium shall be managed by its Board of Directors. The Board of Directors may exercise all powers of the Condominium Association, except those powers conferred on or reserved to the owners by statute, the Declaration or the Bylaws. The Board of Directors may delegate any such powers or responsibilities, or all, and the expenses for same shall be a common expense. The Board of Directors, or any officer or officers to whom such power may be delegated, shall have power to take any action necessary or appropriate to enforce payment of all sums, including assessments, due the Condominium, including the power to enforce any lien for the same. As an additional power and requirement, in the event a sewerage treatment facility is constructed, the Board of Directors shall employ or subcontract to a person, firm or appropriate governmental authority, the operation, upkeep and maintenance of such facility. Nothing within this paragraph or these Bylaws shall prohibit the Board of Directors from delegating certain responsibilities and authorities to a management firm or agent who shall have responsibility for such management for the Condominium. In the event that such delegation occurs, it shall be made pursuant to a management agreement in the form of a written contract between the Association and the management agent or company. Such contracts shall be approved in the manner of approval of contracts by the Board of Directors.

Section 2. Number of Directors. The number of Directors of the Condominium shall be three (3), until such number be changed as herein provided. By vote of a majority of the entire Board of Directors, the number of directors may be increased or decreased, from time to time, to not exceed five (5) nor less than three (3) Directors, but the tenure of office of a Director shall not be affected by any decrease in the number of Directors so made by the Board.

Section 3. Election of Directors. The Owners shall elect the Directors. The Directors shall be elected to three year terms to continue the staggered term system, or for such shorter term to fill a vacancy arriving for an uncompleted term. Elections for Directors shall occur at each annual meeting of the Owners in order to replace directors whose terms are expiring. At any meeting of the Owners, duly called and at which a quorum is present, the Owners may, by affirmative vote of the holders of a majority of the votes entitled to be cast thereon, remove any Director or Directors from office and may elect a successor or successors to fill any resulting vacancies for the unexpired terms of removed Directors.

Section 4. Vacancies. Any vacancy occurring on the Board of Directors for any cause other than by reason of an increase in the number of Directors may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum. Any vacancy

occurring by reason of an increase in the number of directors may be filled by action of a majority of the entire Board of Directors. A director elected by the Board of Directors to fill a vacancy shall be elected to hold office until the next annual meeting of owners and until a successor is elected and qualifies.

Section 5. Regular Meeting. After each meeting of Owners at which a Board of Directors shall have been elected, the Board of Directors so elected shall meet as soon as practicable for the purpose of organization and the transaction of other business. Other regular meetings of the Board of Directors shall be held on such dates and at such places as may be designated from time to time by the Board of Directors.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President or by the Board of Directors by vote at a meeting, or by a majority of the Directors in writing, by telephone or electronic mail with or without a meeting. Electronic mail communications may constitute a "written vote." Such special meetings shall be held at such place or places within or without the State of North Carolina as may be designated from time to time by the Board of Directors.

Section 7. Notice of Meetings. Except as provided in Section 5 of this Article, notice of the place, day and hour of every regular and special meeting shall be given to each Director at least two (2) days before the meeting, by delivering the notice to the Director personally, or by sending the notice to the Director by electronic mail, or by leaving the notice at the Director's primary residence or usual place of business or, in the alternative, by mailing such notice at least five (5) days before the meeting, postage prepaid, to the mailing address of the Director according to the records of the Condominium. Unless required by these Bylaws or by resolution of the Board of Directors, the notice of any meeting of the Board of Directors does not need to state the business to be transacted at such meeting. Notice of any meeting of the Board of Directors need not be given to any Directors who attend such meeting, or to any Director who, in writing, executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting other than by announcement.

Section 8. Quorum. At all meetings of the Board of Directors, one-half of the entire Board of Directors, but in no case less than two (2) directors, shall constitute a quorum for the transaction of business. Unless a statute, the Declaration or the Bylaws provided otherwise, the vote of a majority of those Directors in attendance with a quorum present at a duly constituted meeting shall be sufficient to approve and adopt any measure. In the absence of a quorum, the Directors present may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 9. Compensation. By resolution of the Board of Directors , expenses of attendance, if any, may be allowed to Directors for attendance at each regular or special meeting of the Board of Directors or of committees thereof, but Directors as such shall not receive any compensation for their services except such as may be authorized or permitted by vote of the Owners. A Director who serves the Condominium in any other capacity, however, may receive compensation for such service without such vote of the Owners.

Section 10. Informal Action by Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting, if written consent to such action is signed by all members of the Board or committee and is filed with the minutes of proceedings of the Board or committee.

Section 11. Attendance and voting.

(a) Any Director not physically present at a meeting of the directors, may attend the meeting by electronic or other means of remote communication that allow the Director (i) to read or to hear the meeting proceedings substantially concurrently as the proceedings occur, (ii) to be read or to be heard substantially concurrently as the shareholder or proxy communicates, and (iii) to vote on matters to which the shareholder or proxy is entitled to vote.

(b) In the case of an action without a meeting, any Director may cast a vote by electronic mail or other electronic means approved by the Board of Directors.

Section 12. Committees. The Board of Directors may by resolution provide for such standing or special committees as it deems desirable, and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be assigned to it by the Board of Directors.

Section 13. Indemnification. Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon such Director or Officer in connection with a Court proceeding to which such Director or Officer may become involved, by reason of such Director or Officer being or having been a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of malfeasance or negligence in the performance of such Director's duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. These same protections shall be extended to Committee/Subcommittee members who are duly appointed by the Board of Directors. The foregoing right of indemnification shall be in addition to, and not exclusive of, all rights of indemnification to which such Director or Officer or committee member may be entitled.

Section 14. Budget.

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

1. COMMON EXPENSES OF THE CONDOMINIUM

- (a) maintenance and upkeep of Common Elements
- (b) maintenance and upkeep of Association owned real and personal property
- (c) staff payroll, supplies and office expenses
- (d) managers salaries or fees
- (e) insurance
- (f) common utilities, waste water treatment and disposal system maintenance and upkeep, which shall receive first priority of common expense funds, a central elevator, and swimming pool and hot tub.
- (g) service contracts
- (h) fees and permits

2. CAPITAL IMPROVEMENTS/REPLACEMENT RESERVE

There shall be a Capital Improvements/Replacement Reserve for items, such as those listed below; however, such list shall not be construed as a limitation upon those items that the Board of Directors may designate as either requiring a Capital Reserve and/or being authorized to receive payments from the Reserve:

- 1. Parking lot
- 2. Roof contingencies
- 3. Insurance policy deductibles
- 4. Sewage treatment system
- 5. Elevator
- 6. Pools and hot tub located in the Common Elements

The Board shall establish a Capital Improvements/Replacement Reserve as a line item within the Association's annual budget and include payments to fund the Reserve as a part of monthly assessments to unit owners. Amounts held in reserve shall in no way be construed as full replacement cost, and instead shall be construed as contingencies for repair or replacement deemed appropriate from discussion with owners or consultation with committee members.



3. SPECIAL ASSESSMENTS

The Board of Directors may determine the need for additional assessments to meet capital requirements, and/or to meet anticipated capital reserve deficiencies.

B. Copies of any proposed or amended budgets shall be furnished in a timely manner, e.g., within three weeks, to each unit owner.

C. Accounting shall be on a cash basis and conform to generally acceptable accounting standards.

ARTICLE IV

OFFICERS

Section 1. Executive Officers. The Board of Directors shall choose a President and a Vice President from among the Directors, and a Secretary and a Treasurer who may but need not necessarily be Directors. The Board of Directors may also choose an Assistant Secretary and Assistant Treasurer, who may but need not necessarily be directors. Any two of the above-mentioned Officers, except that of a President and a Vice President, may be held by the same person, but no Officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument be required by statute, by the Bylaws or by resolution of the Board of Directors to be executed, acknowledged or verified by any two or more Officers. Each such Officer shall hold office for one year until such officer's successor shall have been duly chosen and qualified, or until such officer shall have resigned or shall have been removed. Any vacancy in any of the above officers may be filled for the unexpired portion of the term by the Board of Directors at any regular meeting.

Section 2. President. The President shall preside at all meetings of the owners and of the Board of Directors at which the President shall be present. The President shall have general charge and supervision of the business of the Condominium. The President may sign and execute, in the name of the Condominium, all authorized deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall have been expressly delegated to some other officer or agent of the Condominium. The President shall sign all amendments to the Declaration duly approved by the Board and by the members. The President, in general, shall perform all duties incident to the office of President, and such other duties as, from time to time, may be assigned to the President by the Board of Directors .

Section 3. Vice President. The Vice President, at the request of the President or in the absence of the President or during the President's inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. The Vice President shall have such other powers and perform such other duties as may be assigned to the Vice President by the Board of Directors or by the President

Section 4. Secretary. The Secretary shall keep the minutes of the meetings of the Owners and of the Board of Directors in books provided for the purpose. The Secretary shall see that all notices are duly given in accordance with the provisions of the Bylaws or as required by law. The Secretary shall be custodian of the records of the Condominium. In general, the Secretary shall perform all duties incident to the office of Secretary, and such other duties, as from time to time, may be assigned to the Secretary by the Board of Directors or by the President.

Section 5. Treasurer. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Condominium, and shall deposit, or cause to be deposited, in the name of the Condominium, all monies or other valuable effects in such banks, trust companies or other depositories as shall from time to time, be selected by the Board of Directors. The Treasurer shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Condominium. In general, the Treasurer shall perform all duties as may be assigned to the Treasurer by the Board of Directors or the President.

Section 6. Assistant Officers. Any assistant officer shall have such duties as may from time to time be assigned to such Officer by the Board of Directors.

Section 7. Compensation. The Board of Directors shall have the power to fix the compensation of all Officers of the Association.

Section 8. Removal. Any officer or agent of the Association may be removed by the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contractual rights, if any, of the persons so removed.

Section 9. Loans to Directors and Officers. No loans shall be made by the Association to any of its Directors or Officers. The Directors who vote or assent to the making of such loans shall be jointly and severally liable to the Association for the amount of such loan until repayment thereof.

## ARTICLE V

### OBLIGATIONS OF THE OWNERS

Section 1. Assessments. Each Owner is obligated to pay the assessments imposed upon such Owner by the Condominium to meet general common element expenses, which shall include insurance policy premiums (e.g., liability, fire and other hazard, and flood insurance). The assessments shall be made prorata according to the percentage interest owned as stipulated in the Declaration. Such assessments may include payments to a general operating reserve, as well as a capital reserve. Any such assessments levied upon the Owner of a Unit shall become a lien on said Unit at the time assessed and until paid in full. Each regular assessment levied shall be due and payable monthly, thirty (30) days after assessed, or when specified by the Board of Directors. Any

special assessments, designated as such by the Board of Directors shall be due and payable when assessed.

Section 2. Maintenance and Repair.

(a) Every Owner must perform, promptly all maintenance and repair work within such Owner's own Unit which, if omitted, would affect the Common Elements or Limited Common Elements, or any other Unit, such Owner being expressly responsible for the damages and liabilities such Owner's failure to do so may engender.

(b) All repairs of the internal installations of the unit such as water, light, power, telephones, cable television, doors, windows, lamps, and all other accessories belonging to the Unit shall be at the Owner's expense.

(c) An Owner shall reimburse the Condominium for any expenditure incurred in repairing or replacing any Common Elements or Limited Common Element damaged through such Owner's fault, other than damage arising from an insured causality.

(d) During the period November 1 through April 1 of each year, all Owners shall maintain heat within their respective Units at a minimum of fifty five (55) degrees Fahrenheit.

(e) All Unit Owners who participate in any rental program, shall maintain their rental Units at minimum acceptable quality levels of maintenance and repair, cleanliness, furnishings, decorations, and generally comply with all safety requirements for a rental Unit within the State of North Carolina and Dare County. "Minimum acceptable quality levels" shall be determined by the Board, in consultation with local rental management companies, and others as needed. The goal of the Association is to maintain an appropriate level of lodging quality throughout all rental Units so as to encourage rental guests to return to the same (or another) Unit within the Condominium.

Section 3. Damage to or Destruction of any Portion of the Condominium. Section 47C-3-113 of the Act shall control all actions taken by the Association and the Owners in the event any portion of the Condominium is damaged or destroyed.

Section 4. Use of Condominium Units – Internal Changes. An Owner shall not make structural modifications or alterations in such Owner's Unit or installations located therein unless (1) such modification or alteration complies with Section 47C-2-111 of the Act and (2) the Board of Directors has affirmatively approved such modification or alteration.

Section 5. Use of General Common Elements. The rules pertaining to the use of Common Elements shall also pertain to those properties conveyed to or owned by the Association which, for the purposes of the Bylaws and for the determination of common expenses, are treated as Common Elements. An Owner shall not place or cause to be placed in the Common Elements any furniture, packages or objects of any kind, except that such Owner may temporarily place chairs, umbrellas or

other beach paraphernalia in open areas. The remaining Common Elements shall not be used for any purpose other than for normal transit through them, or for such other restricted uses as may be designated by the Board of Directors.

Section 6. Right of Entry. An Owner shall grant right of entry to any person authorized by the Board of Directors of the Condominium in case of any emergency originating in or threatening such Owner's Unit, whether the Owner is present at the time or not.

Section 7. Rules of Conduct.

(a) No resident of the Condominium shall post any advertisements or posters of any kind on the exterior of the Condominium or on Common Elements.

(b) Residents shall exercise care about making noises or in the use of musical instruments, radios, televisions and amplifiers that may disturb other residents.

(c) Clothing, towels and other items of personal property shall not be hung on exterior railing or on any other exterior part of any building or Unit.

(d) Owners, Owners' guests and renters are prohibited from using charcoal or gas cooking grills or appliances within any Unit or on any wooden decks that are attached to any Unit within the Condominium.

ARTICLE VI

INSURANCE

Section 1. Protective Policies.

(a) The Board of Directors shall procure and maintain, in its name as agent or trustees for the benefit of the Owners who shall be deemed parties insured, policies of insurance in stock insurance companies licensed to do business in the State of North Carolina, to the extent obtainable, as may be required by Section 47C-3-113 of the Act.

(b) Any Owner in such Owner's own right may procure other insurance, fire casualty, liability or otherwise, and that such other insurance, shall in no way serve to reduce, abate, diminish or cause any proration in payment of the total loss by the Association's insurer. The exclusive right and authority to adjust losses under the Association's policy shall be vested in the Board of Directors.

(c) Nothing provided in this Article VI shall prejudice the right of any Owner to insure such Owner's Unit on such Owner's account and for such Owner's own benefit, or to insure as to such Owner's liability to others. If an owner shall procure fire or other casualty insurance covering such

Owner's Unit or such owner's interest in the Condominium, the Owner shall file with the Board of Directors a duplicate of the insurance policy.

Section 2. Repairs and Replacement. Section 47C-3-113 of the Act shall control all actions taken by the Association and the members in the event any portion of the Condominium is damaged or destroyed.

Section 3. Disbursement of Insurance Proceeds. Section 47C-3-113 of the Act shall control the disbursement of all insurance proceeds.

Section 4. Application for Insurance. If requested, each owner shall furnish such information and sign such application forms or other documents, if any, as may be required to obtain insurance as provided in this Article VI.

## ARTICLE VII

### FINANCE

Section 1. Checks, Drafts, etc. All checks, drafts and orders for the payment of money, notes and other evidence of indebtedness, issued in the name of the Condominium, shall be signed by the Officers or agents of the Condominium, as determined by the Board of Directors.

Section 2. Annual Reports. There shall be prepared annually a full and correct statement of the affairs of the Condominium, including a balance sheet and financial statement of operations for the preceding fiscal year, which shall be audited by an independent public accountant and submitted at the annual meeting of the owners, and filed within twenty (20) days thereafter with the Treasurer.

Section 3. Fiscal Year. The fiscal year of the Condominium shall be the calendar year, unless otherwise provided by the Board of Directors.

## ARTICLE VIII

### AMENDMENTS

Section 1. Bylaws. These Bylaws may be amended by the Association at any duly constituted meeting, provided the notice of such meeting shall include the text of the amendment to be considered, and provided the same is approved by a vote of seventy-five percent (75%) or more of the total voting shares of the Association. All Owners shall be bound by any amendment upon the same being duly adopted.

ARTICLE IX

MISCELLANEOUS

Section 1. Parliamentary Authority. Robert's Rules of Order, Newly Revised, shall govern the conduct of Association proceedings when not in conflict with the Declaration, these Bylaws, the Articles, the Act, or any statutes of the State of North Carolina applicable thereto. The Chairman of the meeting shall have the authority to appoint a parliamentarian.

Section 2. Compliance with the Act; Conflict; Severability. These Bylaws are established in compliance with the Act, as amended. Should any of the terms, conditions, provision, paragraphs, or clauses of these Bylaws conflict with any of the provisions of said Act, the provision of said Act shall control unless the Act permits these Bylaws to override the Act, in which event these Bylaws shall control. In the case of any conflict between the provision of these Bylaws and the Declaration, the Declaration shall control. If any term, provision, limitation, paragraph, or clause of these Bylaws, or the application thereof to any person or circumstance, is judicially held to be invalid, such determination shall not affect the enforceability, validity, or effect of the remainder of these Bylaws, or the application thereof to any other person or circumstance.

Section 3. Compliance with Declaration. The Association shall be responsible and shall comply with all terms of the Declaration filed for the Condominium, including but not limited thereto those provisions dealing with the maintenance of insurance, repairs and maintenance of the Common Elements, assessments and rights of entry.

These amended and restated Bylaws were adopted by the membership on \_\_\_\_\_,  
2005.

DURANT STATION CONDOMINIUM ASSOCIATION, INC.

By: \_\_\_\_\_  
Secretary