

BY-LAWS
OF
RADIO ISLAND YACHT & BOATING CLUB, INC.
A NON-PROFIT CORPORATION

ARTICLE I
GENERAL

SECTION 1: *Name.* The name of the corporation shall be RADIO ISLAND YACHT & BOATING CLUB, INC.

SECTION 2: *The Principal Office.* The principal office of the corporation shall be designated from time to time by the Board of Directors.

SECTION 3: *Registered Office.* The registered office of the corporation, which by law is required to be maintained in the State of North Carolina, shall be located at such place within the State of North Carolina as may, from time to time, be fixed and determined by the Board of Directors.

SECTION 4: *Definitions.* As used herein, the term "Corporation" shall be the equivalent of the "Association" as defined in the Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as the Declaration) of RADIO ISLAND YACHT & BOATING CLUB, INC. recorded in the Registry of Carteret County, North Carolina. All definitions set forth in said Declaration, to which these By-Laws are attached, shall be applicable herein, unless otherwise defined.

ARTICLE II

MEMBERSHIP

SECTION 1: *Definition, Rights and Obligations.* Each membership shall be evidenced by a Certificate of Membership in such form as the Board of Directors shall approve. The number of persons and the designation of persons entitled to the benefits of each membership may be set and further defined by the Board of Directors in order to avoid the imposition of unreasonable use of the facilities and property of the Corporation by or at the instance of the person or persons owning each such membership. Said memberships shall be divided into classes as set forth herein, and the rights and obligations of each membership shall derive from the class of such membership.

SECTION 2: *Classes of Membership.* There shall be two (2) classes of members and memberships: Charter, Class A. The various rights and characteristics of said classes of membership shall be as set forth below:

1
BOOK 943 PAGE 26

(a) Charter Membership. In consideration for the establishment of the Development and the creation of the proposed facilities, the Association shall issue and assign to the Charter Member the Charter Membership rights for each and every membership in the Association. Said Charter memberships shall be freely transferrable by the Charter Member without any application or approval. Upon transfer of any such Charter Membership by the Charter Member to another person, partnership, corporation, or other entity such membership shall immediately cease to be a Charter Membership and shall automatically convert to a Class A Membership, depending upon the nature of the membership transferred as hereinafter described and as shown on the certificates. Further, the Charter member shall have the right, at its sole option, to convert any Charter membership to a Class A Membership at any time upon notice to the Association.

(b) Class A Membership. Each Class A membership shall entitle such member to the exclusive use and enjoyment of one (1) particular Boat Slip as identified on the membership certificate. Each Class A member shall have the exclusive right, subject to the provisions hereof and the provisions of the By-Laws and Rules and Regulations issued pursuant hereto, to occupy, possess, and lawfully use that particular boat slip identified on such membership certificate. Each Class A member shall also have those common area rights and voting rights set forth below in this Article.

SECTION 3: Common Area Rights. Each member shall have a nonexclusive right and easement of enjoyment in and to the common areas subject to the right of the Corporation:

1. To assign particular Class A members the right to the exclusive use and enjoyment of Boat Slips in the Marina Facility;
2. To limit the number of guests and members;
3. In accordance with its Articles and By-Laws, to borrow money for the purpose of improving the properties, common area and facilities;
4. To suspend all rights of any member for any period during which an assessment against such member remains unpaid or, for a period not to exceed sixty (60) days, for an infraction of its published Rules and Regulations; and to license or otherwise lawfully use all rights of any such member during any such period of suspension; and
5. To dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purpose, subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless approved by a two-thirds (2/3) vote of the membership.

SECTION 4: Voting Rights. Except as specifically provided in these By-Laws, the voting rights of the members at any meeting of members shall be as follows:

BOOK 043 PAGE 226

- (a) Each Class A membership shall have one (1) vote;
- (b) Each Charter membership shall have one (1) vote.

SECTION 5: *Other Rights.* The owner(s) of each membership (members) shall have all such other rights as prescribed by North Carolina law, the Articles of Incorporation, the Declaration, these By-Laws, and such Rules and Regulations as shall be lawfully adopted, from time to time, by the Board of Directors.

SECTION 6: *Obligations.* Each member, except for the Charter Member, shall have the obligation and duty to pay all lawful assessments as and when due. In addition, each member shall be obligated to abide by all the terms and conditions of the Articles of Incorporation, the Declaration, these By-Laws, and such Rules and Regulations as shall be lawfully adopted, from time to time by the Board of Directors. The obligation of the charter member to pay assessments shall be limited as set forth in Article VI, Section 1(b) of the Declaration of Covenants, Conditions, and Restrictions.

SECTION 7: *Transfer of Interest in Membership.* Subject to the further provisions of Article X of the Declaration, no interest in a membership may be sold, transferred, assigned or licensed without the prior, written notification to the Board of Directors.

**ARTICLE III
MEETINGS OF MEMBERSHIP**

SECTION 1: *Place.* All meetings of members shall be held at the office of the Corporation or such other place as may be stated in the notice.

SECTION 2: *Annual Meetings.*

A. The annual meeting of the members shall be held in each year commencing in 2002; provided, however, that such meeting will not be held until the Board of Directors issues a call for such a meeting.

B. Regular annual meetings after 2002 shall be held on the second Saturday in May of each year, if not a legal holiday, and if a legal holiday, then on the next secular day following unless otherwise determined by the Board of Directors.

C. All annual meetings shall be held at such an hour as is determined by the Board.

D. The Charter Member shall have the right and power to appoint and to remove all members of the Board of Directors and all officers of the Corporation until such time as the first of the following events occurs:

3
BOOK 943 PAGE 226

(1) The Charter Member no longer owns any membership in the Corporation; and

(2) The Charter Member expressly surrenders said right and power by written instrument fully-executed by Charter Member and recorded in the Carteret County Registry, to occur no later than January 1, 2005.

Beginning with the first annual meeting following the occurrence of the first to occur of said two events, the members shall elect the new members of the Board of Directors and transact such other business as may properly come before the meeting.

E. Written notice of the annual meeting shall be served upon or mailed to each member entitled to vote thereat at such address as appears on the books of the Corporation at least fifteen (15) days prior to the meeting.

SECTION 3: *Membership List.* At least fifteen (15) days before every election of Directors, a complete list of members entitled to vote in such election, arranged numerically with the mailing address of each, shall be prepared by the Secretary. Such list shall be produced and kept for such fifteen (15) days and through the annual meeting at the office of the Corporation, and shall be open to inspection by any member.

SECTION 4: *Special Meetings.*

A. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the President, the Board or upon the written request of persons representing one-third (1/3) of the memberships. Such request shall state the purpose or purposes of the proposed meeting.

B. Written notice of a Special Meeting of members, stating the time, place and purpose thereof, shall be served upon or mailed to each member entitled to vote thereat, at such address as appears on the books of the Corporation, at least fifteen (15) days before such meeting.

C. Business transacted at all special meetings shall be confined to the purposes stated in the notice thereof, unless seventy-five (75%) of the members present at such meeting in person or by proxy consent to the transaction of business not stated in the notice.

SECTION 5: *Quorum.* Representatives of more than fifty percent (50%) of the total number of votes eligible to be cast by memberships of the Corporation, present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise required by statute, by the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any such meeting of the members, the memberships entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or

4
BOOK 943 PAGE 226

represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

SECTION 6: Vote Required to Transact Business. When a quorum is present at any meeting, a majority of the votes cast, in person or represented by written proxy filed with the Secretary in advance of the meeting, shall decide any question brought before the meeting, unless the question is one upon which by express provision of law, the Articles of Incorporation, the Declaration or By-Laws, a different vote is required, in which case such express provision shall govern and control and decision of such question. There shall be no cumulative voting on any question or election.

SECTION 7: Voting Rights. The voting rights of the members at any meeting of members shall be as follows:

- (a) Each Class A membership shall have one (1) vote;
- (b) Each Charter membership shall have one (1) vote.

SECTION 8: Voting in Case of Joint Ownership. If more than one person or entity owns a membership, they shall file a certificate with the Secretary naming the person authorized to cast votes for said membership. If the same is not on file with the Secretary, the vote of any Co-Owner of a membership present at the meeting shall be accepted as the vote of all Co-Owners of that membership.

SECTION 9: Informal Action By Members. Any action which may be taken by the members at a meeting thereof may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed by all of the persons who would be entitled to vote on such action at a meeting and filed with the Secretary of the Corporation. Any consent so filed with the Secretary of the Corporation shall be filed in the corporate minute book in a like manner as minutes of a meeting. Any such consent shall have the same force and effect as a unanimous vote of members.

SECTION 10: Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of law, the Articles of Incorporation, the Declaration, or these By-Laws to be taken in connection with any action of the Corporation, the meeting and vote of members may be dispensed with, if all members who would have been entitled to vote upon the action of such meeting, if such meeting were held, shall consent in writing to such action.

SECTION 11: Order of Business. The order of business at the annual members' meetings beginning in 2003, and as far as practical at other members' meetings, will be:

- I. Roll call and certifying of proxies;

BOOK ⁵ 943 PAGE 226

2. Proof of notice of meeting or waiver of notice;
3. Reading of minutes or prior meeting;
4. Officers' reports;
5. Committee reports;
6. Approval of budget;
7. Elections of Directors and Officers;
8. Unfinished Business;
9. New business;
10. Adjournment.

Robert's Rules of Order shall be applicable to the conduct of all meetings of members.

ARTICLE IV
BOARD OF DIRECTORS

SECTION 1. Organization. The property, affairs and business of the Corporation shall be managed by a Board of Directors. The Board, other than the First board of Directors, shall be elected by the members of the Corporation. The Board shall elect officers of the Corporation including a president, vice-president, secretary and treasurer, and such other officers and assistant officers as, from time to time, may be deemed necessary. These officers shall carry out such functions and duties as are prescribed by these By-Laws and the Board.

SECTION 2. First Board. The First Board of Directors shall consist of three (3) members, who shall be selected and appointed by the Charter Member and need not be members. Said First Board of directors shall hold office and exercise all powers of the Board until the first to occur of the following events:

- (a) Charter Member no longer owns any membership in the Corporation; and
- (b) Charter Member expressly surrenders its right and power to appoint and remove all members of the Board of Directors and all officers of the Corporation by written instrument fully executed by Charter Member and recorded in the Carteret County Registry to occur no later than January 1, 2005.

SECTION 3. Actions of First Board. The undertakings and contracts authorized

BOOK A43 PAGE 226

by, and all actions taken by the First Board of Directors shall be binding upon the Corporation in the same manner as though such undertakings, contracts and actions had been authorized by a Board of Directors duly elected by the membership, so long as such undertakings, contracts and actions are within the scope of the powers and duties which may be exercised by the Board of Directors of the Corporation in accordance with all applicable Documents and these By-Laws.

SECTION 4. Number and Term. Following the term of the First Board of Directors, the number of Directors constituting the Board of Directors shall be seven (7). Each Director shall be a member or a representative of a membership. Each Director shall be elected at the annual meeting of members to serve for a term of three (3) years, or until his successor shall be elected and shall qualify, except that the first election shall provide for two (2) Directors for one (1) year, two (2) Directors for two (2) years and three (3) Directors for three (3) years. At the time any membership represented by any Director is transferred by its owner/owners, such Director shall then be disqualified and thereafter shall not participate as or exercise the rights of a Director.

SECTION 5. Vacancy and Replacement. If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors at a special meeting of Directors duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

SECTION 6. Removal. Subject to the provisions of the Articles of Incorporation, Directors may be removed by an affirmative vote of a majority of the members. No Director shall serve on the Board after his membership in the Corporation has been terminated for any reason whatsoever.

SECTION 7. Resignations. Any Director may resign at any time by giving written notice to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, or if no time is specified therein, at the time such resignation is received by the President or the Secretary of the Corporation unless it shall be necessary to accept such resignation before it becomes effective, in which event the resignation shall take effect upon its acceptance by the Board of Directors. Unless otherwise specified therein, the acceptance of any such resignation shall not be necessary to make it effective.

SECTION 8. Power and Duties. All of the powers and duties of the Corporation shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of the Corporation, these By-Laws, the Declaration and including all corporate powers not specifically prohibited by statute, the Articles of Incorporation of the Corporation, the Declaration and these By-Laws. Such powers and duties shall be exercised in accordance with said Articles of Incorporation, these By-Laws and Declaration and shall include, without limiting the generality of the foregoing, the following powers:

- (a) To make, levy and collect, regular and special assessments and to use said proceeds

7
BOOK 943 PAGE 226

in the exercise of the powers and duties of the Corporation;

(b) To establish the time within which payment of assessments are due;

(c) to use and expend the assessments collected to manage, repair, replace, operate, maintain, care for and preserve the Development and all common areas and facilities, except those portions thereof which are required to be managed, repaired, replaced, operated, maintained, cared for and preserved by the Owners unless otherwise provided in the Declaration;

(d) To maintain, care for, preserve, repair, replace, operate and manage all common areas and facilities, wherever the same is required to be done and accomplished by the Corporation, for the benefits of its members, and further to approve any expenditure made or to be made for the same;

(e) To purchase the necessary equipment and tools required in the maintenance, repair, replacement, management, operation, care and preservation referred to herein;

(f) To enter into and upon all portions of the common areas when necessary and at as little inconvenience to the members as possible in connection with such maintenance, care, preservation, repair, replacement, management and operation;

(g) To insure and keep insured the common areas and facilities against loss from fire and/or other casualty, and the members against public liability to the common areas, and to obtain fidelity bond coverage for all officers, directors, trustees and employees of the Corporation who handle or are responsible for funds of or administered by the Corporation, and to purchase such other insurance as the Board may deem advisable;

(h) To collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from members for violation of these By-Laws, the terms and conditions of the Documents and the Rules and Regulations of the Corporation;

(i) To carry out the obligations of the Corporation under any restrictions and/or covenants running with any land submitted to the ownership of this Corporation or its members;

(j) To compensate, employ, designate and remove personnel necessary for the maintenance, repair, management, operation, care, preservation and replacement of the common areas and facilities;

(k) To make, amend, and enforce Rules and Regulations governing the use of the common areas and facilities provided that such Rules and Regulations and amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the term of the Articles of Incorporation and the Declaration and to enforce, by legal means or proceedings, the provisions of the Rules and Regulations and the Declaration so promulgated

and to establish, levy and collect fines, assessments, and penalties for violations of such Rules and Regulations;

(l) To impose a special assessment (against any member) for the violation by the member, tenant, occupant or his guests of any Rules or Regulation adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provision of the Declaration (Such assessment shall be in addition to any costs incurred or to be incurred by the Corporation as a result of the violation of the rule, regulation, By-Law, or provision);

(m) If any lessee, renter or guest fails to comply with the terms of the Declaration, any Rules and Regulations, or these By-Laws, then to terminate any written or oral lease or rental agreement, and to remove from the common areas such lessee, renter or guest;

(n) To propose and adopt an annual budget for the Corporation;

(o) To reconstruct any part of the common areas and facilities after casualty and to make further improvement to the common areas and facilities, real and personal, and to make and to enter into any and all contracts, necessary or desirable, to accomplish said purposes;

(p) to acquire, purchase, operate, rent, lease, manage and otherwise trade and deal with property, real and personal, as may be necessary or convenient;

(q) To acquire now or at any time hereafter, and to enter into leases and agreement whereby the Corporation acquires, ownership, leaseholds, memberships and other possessory or use interest in lands or facilities including, but not limited to, swimming pools, tennis courts, and other recreational facilities whether or not contiguous to the lands of the Property to provide enjoyment, recreation or other use or benefit to the members;

(r) To contract for the management of the Development and common areas and facilities and to designate to such contractor all of the powers and duties of the Corporation, except those which may be required by the Declaration or these By-Laws to have approval of the Board of Directors or membership of the Corporation; and

(s) To pay all taxes and assessments which are or may become liens against any part of the Property, common area and facilities, and the appurtenances thereto, and to assess the same against the members subject to such liens.

SECTION 9. Liability. The Directors shall not be liable to the owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct, bad faith, or gross negligence.

SECTION 10. Voluntary Nature. Directors and Officers shall receive no compensation for their services, such services being a voluntary, *pro bono* basis.

BOOK 043 PAGE 226

SECTION 11, Informal Action of Directors. Action taken by a majority of the Directors without a meeting shall constitute Board action if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

SECTION 12, Meetings.

(A) The first meeting of each Board newly elected by the members shall be held immediately upon adjournment of the meeting at which such election was held, provided a quorum shall then be present, or as soon thereafter as may be practicable.

(B) Special meetings shall be held whenever called by the direction of the President or a majority of the Board. The Secretary shall give notice of each special meeting either personally, by mail or telegram, at least three (3) days before the date of such meeting, but the Directors may, in writing, waive notice of the calling of the meeting, before or after such meeting.

(C) A majority of the Board shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business, and the acts of a majority present at any meeting at which there is a quorum shall be the acts of the Board. If a quorum shall not be present or represented at any such meeting of the members, the membership entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

SECTION 13, Order of Business. The order of business at all meetings of the Board shall be as follows:

- A. Roll call;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading of minutes of last meeting;
- D. Consideration of communications;
- E. Elections of necessary directors and officers;
- F. Reports of officers and employees;
- G. Reports of committees;
- H. Unfinished business;
- I. Original resolutions and new business;
- J. Adjournment.

SECTION 14, Annual Statement. The Board shall present at each annual meeting, a full and clear statement of the business and financial conditions of the Corporation with its recommended budget and regular assessment schedule for the ensuing year.

BOOK ¹⁰ 943 PAGE 526

ARTICLE V
OFFICERS

SECTION 1. Executive Officers. The executive officers of the Corporation shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected annually by and from the Board. No two offices may be held by one person. If the Board so determines, there may be more than one Vice President.

SECTION 2. Subordinate Officers. The Board may appoint such other officers and agents from the membership as it may deem necessary, and such officers and agents shall have such authority and perform such duties as from time to time may be prescribed by the Board.

SECTION 3. Tenure of Officers. Removal:

All officers shall be subject to removal, with or without cause, at any time by action of the board, which may delegate to an officer the authority to dismiss employees, agents or contractors.

SECTION 4. The President.

A. The President shall preside at all meetings of the members and directors; he shall have general and active management of the business of the Corporation; he shall see that all orders and resolutions of the Board are carried into effect; he shall execute bonds, mortgages, other instruments and contracts requiring a seal, under the seal of the Corporation.

B. He shall exercise general control and direction of all the other officers of the Corporation in the performance of their corporate duties.

C. He shall submit a report of the operations of the Corporation for the fiscal year to the Directors whenever called for by them, and to the members at the annual meeting, and from time to time shall report to the Board all matters within his knowledge of interest to the Corporation.

D. He shall be an ex-officio member of all committees, and shall have the general powers and duties of supervision and management usually vested in the office of the President of a Corporation.

SECTION 5. The Secretary.

A. The Secretary shall keep the minutes of the members' and of the Board's meetings in one or more books provided for that purpose.

B. He shall see that all notices are fully given in accordance with the provisions of

these By-Laws, the Declaration as required by law.

C. He shall be custodian of the corporate records and of the seal of the Corporation and shall see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these By-Laws.

D. He shall keep a register of the name, telephone numbers and post office address of each member, and the name, size, make, official number or registration of each boat to be docked in each boat slip in the Marina Facility, which shall be furnished to the Secretary by the member to which such slip has been assigned.

E. In general, he shall perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 6. The Vice President.

The Vice President shall be vested with all the powers to be required by the President in his absence, and such other duties as may be prescribed by the Board.

SECTION 7. The Treasurer.

A. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation, in such depositories as may be designated by the Board.

SECTION 8. Vacancies. If the office of any officer becomes vacant by reason of death, resignation, disqualification or otherwise, the President shall choose a successor or successors who shall hold office for the unexpired term.

SECTION 9. Resignations. Any officer may resign his office at any time. Such resignation to be made in writing, and to take effect from the time of its receipt by the Board of Directors, unless some time be fixed in the resignation, and then from that date. The acceptance of a resignation by the Board shall not be required to make it effective.

SECTION 10. Compensation. No compensation shall be paid to any officer for his services. However, any officer may be reimbursed for his actual expense incurred in the performance of his duties as long as such expense receives approval of the Board and is within the approved Corporate Budget.

ARTICLE VI
NOTICES

SECTION 1. Definition. Whenever under the provisions of the law, the Declaration, the Articles of Incorporation or these By-Laws, notice is required to be given to any Director or member, it shall not be construed to mean personal notice; but such notice may be given to such Director or member in writing by depositing the same in a post office or letter box in a postpaid, sealed envelope addressed as appears on the books of the Corporation.

SECTION 2. Service of Notice - Waiver. Whenever any notice is required to be given under the provisions of the law, the Declaration, the Articles of Incorporation or these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII FINANCES

SECTION 1. Fiscal Year. The fiscal year shall be the calendar year.

SECTION 2. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 3. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 4. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall, from time to time, be determined by resolution of the Board of Directors.

SECTION 5. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as the Board of Directors may select.

SECTION 6. Determination of Assessments.

A. The Board shall determine, from time to time, the money required for the proper and adequate maintenance and preservation of the Development, including the cost of maintaining all common areas, facilities, and amenities, and all the other costs of operating the business of the Corporation including insurance premiums, and accounting and legal fees; and the Board shall thereupon adopt an annual budget which shall be the basis for all regular assessments against Class A members of the Corporation. Until the first annual meeting of members the Board's budget need not be approved by the members; however, the budget adopted by the Board as the basis for all

BOOK 043 PAGE 226

such regular assessments for all fiscal years beginning 2003 must be approved by the members at a meeting called for that purpose at which a quorum is present in person or by proxy.

In determining the regular assessments against the members, the Board shall apply the following rule:

The Board shall divide the budget by the Class A memberships, dividing said budget by the total number of Class A memberships, and the regular assessments levied against the Class A memberships shall be based thereon.

B. The Board is specifically empowered on behalf of the Corporation to make and collect assessments and to maintain, repair, renovate and replace any property of the Corporation. Assessments shall be payable periodically as determined by the Board.

C. Special assessments as described in the Declaration may be imposed by the Board as authorized in and by the Declaration; and such special assessment shall be levied and paid by the Class A members in the same manner as specified herein for regular assessments, subject to the provisions of the Declaration.

D. When the Board has determined the amount of any assessment, the Vice President and Treasurer of the Corporation shall mail or present a statement of the assessment to each of the members. All assessments shall be payable to the Corporation, and upon request, the Vice President and Treasurer or his designated agent shall give a receipt for each payment made.

E. All assessments not paid when due shall bear interest at eighteen percent (18%) per annum until paid.

F. The Corporation shall also be entitled to recover all costs of collecting any assessments, including court costs and attorneys fees.

SECTION 7. Excess of Assessments. In any year in which there is an excess of assessments collected, said excess shall, unless otherwise determined by the Board of Directors of the Association, be deposited in a capital reserve account for use in replacement, repair, or maintenance of the common areas and facilities of the Corporation or Corporation property.

SECTION 8. Management Contract. The Board may enter into a management contract with third parties to whom the Board may delegate the power to levy and collect assessments approved by the Board or required by the Declaration.

ARTICLE VIII

CREATION OF LIEN, ENFORCEMENT AND REMEDIES

SECTION 1. Enforcement of Lien for Assessments. In the event a member does not pay

BOOK 1943 PAGE 226

any sums, charges or assessments required to be paid to the Corporation by the due date, the Corporation, acting through its Board, may enforce its lien for assessments, or take such other action to recover the sums, charges or assessments to which it is entitled, in accordance with the Declaration and the law.

SECTION 2. Governmental Liens and Assessments. In the event that any governmental unit impose a tax of any kind upon any member's membership or his or its certificate, and the member fails to pay such tax by the date such tax is due, the Board may pay the same from the funds of the Corporation and assess such member for the amount paid, plus interest thereon.

SECTION 3. Legal Costs. In the event such legal action is brought against a member and results in a judgment for the Corporation, the member shall pay the Corporation's reasonable attorneys' fees, costs of collection, and court costs.

SECTION 4. Sale by Corporation After Foreclosure. If the Corporation becomes the owner of a membership as a purchaser by reason of foreclosure, it shall offer such membership for sale and at such time as a sale is consummated, it shall deduct from the proceeds of such sale all sums of money due it for assessments and charges, plus interest, all costs incurred in the bringing of the foreclosure suit, including reasonable attorneys' fees, and any and all expenses incurred in the resale of the unit, including expense of advertising. All monies remaining after deducting the foregoing items of expenses shall be paid to the former member.

SECTION 5. Suspension of Rights. The Board may suspend, by a majority vote of the Board, the voting rights and right to hold office of a member during any period in which the member shall be in default in the payment of any dues, assessments, penalties or fines imposed by the Corporation. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for a violation of the Association's Rules and Regulations, these By-Laws or the Declaration.

SECTION 6. Other Remedies. In the event of a violation of any of the provisions of the Declaration, after ten (10) days notice from the Corporation to the member to correct such violation, the Corporation may bring appropriate action to enjoin such violation or may enforce the provisions of such Declaration, or may sue for damages, or take such other courses of action, or pursue any other legal remedy as it may deem appropriate.

SECTION 7. Intent. Each member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the harshness of the remedy available to the Corporation and regardless of the availability of any other equally adequate legal remedies. It is the intent of all members to give to the Corporation a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from the members, and to preserve each member's right to enjoy his membership, free from unreasonable restraint and nuisance.

BOOK ¹⁵ 943 PAGE 226

ARTICLE IX
COMMITTEES

SECTION 1. Committees. The Board may establish by resolution adopted by a majority of Directors such committees which it deems necessary or desirable to carry out the purposes of the Corporation.

SECTION 2. Committee Chairman and Members. The Chairman of all committees shall be appointed by and serve at the pleasure of the Board. Each committee shall contain one or more members of the Board.

SECTION 3. Committee Reports. The Chairman of each committee shall make a report to the President in writing of the matters handled in committee meetings and activities.

SECTION 4. Authority. Unless specifically authorized in writing by the Board of Directors or the President, a committee Chairman or a committee shall have no authority to legally obligate the Corporation or incur any expenditure on behalf of the Corporation.

ARTICLE X
CORPORATE ASSETS

SECTION 1. Ownership. The Corporation shall hold, own, maintain, manage, control, repair, preserve, replace, care for and operate any and all real property, together with appurtenances, and improvements thereto, all personal property, all fixtures, all rights and privileges, including riparian rights, and other possessory or use interest in land and facilities which may be conveyed to, or be made available for use by the Corporation by the Declarant of the Project known as Radio Island Yacht & Boating Club or by any other person, firm, Corporation, or other entity.

SECTION 2. Status as Common Area. All such real property together with appurtenances and improvements thereto, personal property, fixtures, rights and privileges, and other possessory or use interests in land or facilities owned by, belonging to, or made available for the Corporation shall be treated, except as otherwise specified in these By-Laws, as common areas and facilities of Radio Island Yacht & Boating Club, Inc. for purposes of managing, controlling, repairing, replacing, preserving, caring for, operating and otherwise dealing with same.

SECTION 3. Common Expenses. The costs and expenses of holding, owning, maintaining, managing, controlling, repairing, replacing, preserving, caring for and operating the said real property, together with appurtenances and improvements thereto, personal property, fixtures, rights and privileges, and other possessory or use interest in land or facilities shall be "common expenses" and included in the budget for each calendar year for the Corporation and all provisions of these By-Laws shall apply thereto.

ARTICLE XI
GENERAL PROVISIONS

SECTION 1. Books and Records. The books, records and papers of the Corporation shall, at any reasonable time, be subject to inspection by any member, his agent or attorney, or by a Lender, Holder, Insurer, or Guarantor of any first mortgage, pledge, or Deed of Trust, for any purpose.

SECTION 2. Corporate Seal. The corporate seal shall be in such form as shall be approved from time to time by the Board of Directors.

SECTION 3. Joint Ownership. Membership may be held in the name of more than one person or entity or combination thereof. In the event of such joint ownership, all of said joint owners shall be entitled collectively to only such vote or votes as provided for such membership, based upon its class, by these By-Laws. Said vote or votes may not be divided among such joint owners but must be exercised as set forth in these By-Laws.

SECTION 4. Rules and Regulations. In addition to other provisions of these By-Laws, any Rules and Regulations adopted by the Board, together with any subsequent changes, shall govern the use of the common areas, amenities, facilities and property of the Corporation and the conduct of all members, their assignees, lessees, and guests. Such Rules and Regulations shall be subject to such changes, additions, or amendments as are made by the Board of Directors.

SECTION 5. Indemnification. The Corporation may indemnify any person made a party to an action by reason of his being or having been a director or officer of the Corporation, against the reasonable expenses including attorneys' fees actually and necessarily incurred by him in connection with the defense or settlement of such action, or in connection with an appeal therein, except in relation to such matters as to which such director or officer is adjudged to have been guilty of willful misconduct, bad faith, or gross negligence in the performance of his duty to the Corporation.

SECTION 6. Amendment. Prior to the first annual meeting of the members, these By-Laws may be amended by authorization of the Board of Directors. Thereafter, these By-Laws may be amended at any time by the affirmative vote of two-thirds (2/3) of the total votes eligible to be cast at a meeting duly called for that purpose at which a quorum of more than seventy percent (70%) is present in person or by proxy; provided that the notice of such meeting shall contain a copy of the proposed amendment verbatim which has been approved by a majority of the Directors.

SECTION 7. Qualification for Tax Exemption. No part of the net income, if any, or earnings of this Corporation shall inure to the benefit of any officer, member or Director of the Corporation or any other private individual either during the Corporation's existence or in the event of its dissolution.

SECTION 8. Distribution of Assets Upon Dissolution. Upon dissolution of the Corporation, the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provision made therefor, be distributed to any Corporation(s), organization(s), or association(s) organized for the purposes or engaged in activities substantially similar to those set forth in the Articles of Incorporation as well as these By-Laws.

SECTION 9. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.



RADIO ISLAND YACHT & BOATING CLUB, INC.

By J.W. Shaughnessy
President

Secretary [Signature]

STATE OF NORTH CAROLINA
COUNTY OF Carteret

I, Gina P. Griffin, a Notary Public in and for the County and State aforesaid do hereby certify that Larry Land personally appeared before me this day and acknowledged that he/she is Secretary of RADIO ISLAND YACHT & BOATING CLUB, INC., and that, by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself/herself as its Secretary.

WITNESS my hand and notarial seal this the 30th day of May, 2002.

Gina P. Griffin
Notary Public



My Commission Expires: 3/12/05

BOOK ¹⁸ 243 PAGE 226