

EXHIBIT D
RAMSGATE OWNERS ASSOCIATION

BYLAWS

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EXHIBIT D
BYLAWS
OF
RAMSGATE OWNERS ASSOCIATION
A North Carolina Nonprofit Corporation

The administration of the Ramsgate Condominium Project and the Ramsgate Owners Association shall be governed by its Articles of Incorporation, these Bylaws, by the Unit Ownership Act, North Carolina General Statutes Chapter 47A, as amended (the "Act"), and by the Declaration.

1. Application of Bylaws

All present and future unit owners, mortgagees, lessees and occupants of units and their employees, and any other persons who may use the facilities of the property in any manner are subject to the Declaration, the Articles of Incorporation, these Bylaws, and all rules made pursuant hereto and any amendment thereof. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that the provisions of the Declaration, the Articles of Incorporation, and these Bylaws (and any rules and regulations made pursuant thereto), as they may be amended from time to time, are accepted, ratified, and will be complied with.

2. Association of Unit Owners

The Ramsgate Owners Association is a nonprofit corporation organized under the provisions of Chapter 55A, North Carolina General Statutes. The name in which contracts shall be entered into, title to property shall be acquired, held, dealt in, and disposed of, bank accounts shall be opened, and suits shall be brought and defended by the Board of Directors or officers thereof on behalf of and agents for the unit owners in the manner specified by the Act, the Declaration, or these Bylaws, is: Ramsgate Owners Association, a North Carolina nonprofit corporation.

3. Meetings of the Association

3.1 The presence in person or by proxy at any meeting of the association of unit owners holding at least fifty percent (50%) of the undivided ownership of the common areas and facilities in response to notice of all unit owners of record properly given shall constitute a quorum. In the event that unit owners holding at least fifty percent (50%) of the undivided ownership of the common areas and facilities are not present in person or by proxy, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of unit owners present at such subsequent meeting will constitute a quorum. Unless otherwise expressly provided in the Declaration or the Articles of Incorporation, any action may be taken at any meeting of the unit owners upon a majority vote of the unit owners who are present in person or by proxy and who are voting.

3.2 There shall be an annual meeting of the association on the third Tuesday of February at 7:00 p.m. at the property or at such other reasonable place or time (not more

sixty (60) days before or after such date) as may be designated by written notice by the Board of Directors delivered to the unit owners not less than ten (10) days prior to the date fixed for said meeting. At or prior to an annual meeting, the Board of Directors shall furnish to the unit owners: (i) a budget for the coming fiscal year that shall itemize the estimated common expenses of the coming fiscal year with the estimated allocation thereof to each unit owner; and (ii) a statement of the common expenses, itemizing receipts and disbursements for the previous and current fiscal year, together with the allocation thereof to each unit owner. Within ten (10) days after the annual meeting, the budget statement shall be delivered to the unit owners who were not present at the annual meeting.

3.3 Special meetings of the association may be held at any time at the property or at such other reasonable place to consider matters which, by the terms of the Declaration or the Articles of Incorporation, require the approval of all or some of the unit owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by the President, a majority of the Board of Directors, or by unit owners representing at least one-fourth (1/4) in interest of the undivided ownership of the common areas and facilities and delivered to all unit owners not less than ten (10) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting, and matters to be considered.

3.4 Robert's Rules of Order (latest edition) shall govern the conduct of the association's meeting when not in conflict with the Declaration or these Bylaws.

4. Officers

4.1 All officers and employees of the association shall serve at the will of the Board of Directors. The officers shall be a president, secretary, and treasurer. The Board of Directors may appoint such other assistant officers as the Board of directors may deem necessary. No officer shall be required to be a unit owner, but the president must be a member of the Board of Directors. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Board of Directors and may be removed and replaced by the Board of Directors. The Board of Directors may, in its discretion, require that officers (and other employees of the association) be subject to fidelity bond coverage. Resignation of any officer shall be in writing directed to the Board of Directors which shall act promptly thereon.

4.2 The president shall be the chief executive of the Board of Directors and shall preside at all meetings of the unit owners and of the Board of Directors and may exercise the powers ordinarily assigned to and exercised by the presiding officer of an association, including the appointment of committees. The president shall exercise general supervision over the property and its affairs. He shall sign on behalf of the association all conveyances, mortgages, and contracts of material importance to its business. He shall do and perform all acts which the Board of Directors may require.

4.3 The secretary shall keep minutes of all proceedings of the Board of Directors and of the meetings of the association and shall keep such books and records as may be necessary and appropriate for the records of the unit owners and the

Board of Directors. In the absence or inability of the president, the secretary shall perform the functions of the president.

4.4 The treasurer shall be responsible for the fiscal affairs of the association, but may delegate the daily handling of funds and the keeping of records to a manager or managing company.

4.5 The membership may ratify actions of the officers subsequent thereto and thereby give full force and effect to such actions as though approved in advance.

5. Board of Directors

5.1 The management and maintenance of the property and the business, property, and affairs of the Ramsgate Owners Association ("association") shall be managed by a Board of Directors consisting of five (5) members, who need not be unit owners. The Board of Directors shall be elected as provided in these Bylaws, as modified by Section 8 of the Declaration.

5.2 The Board of Directors shall have all the powers, duties, and responsibilities as are now or may hereafter be provided by the Act, the Declaration, the Articles of Incorporation, and these Bylaws, including but not limited to the following:

5.2.1 To make and enforce all house rules and administrative rules and regulations covering the operation and maintenance of the property.

5.2.2 To engage the services of a manager or managing company, accountants, attorneys, or other employees or agents and to pay to said persons reasonable compensation therefor.

5.2.3 To operate, maintain, repair, improve, and replace the common areas and facilities.

5.2.4 To determine and pay the common expenses.

5.2.5 To assess and collect the proportionate share of common expenses from the unit owners.

5.2.6 To enter into contracts, deeds, leases, or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

5.2.7 To open bank accounts on behalf of the association and to designate the signatures thereof.

5.2.8 To purchase, hold, sell, convey, mortgage, or lease any one or more units in the name of the association or its designee.

5.2.9 To bring, prosecute, and settle litigation for itself, the association, and the property, provided that it shall make no settlement which results in a liability against the Board of Directors, the association, or the property in excess of \$5,000.00 without prior approval of a majority of unit owners.

5.2.10 To obtain insurance for the association with respect to the units and the common areas and facilities, as well as Workmen's Compensation Insurance.

5.2.11 To repair or restore the property following damage or destruction, or a permanent taking by the power of, or power in the nature of, eminent domain or by an action or deed in lieu of condemnation, not resulting in the removal of the property from the provisions of the Act.

5.2.12 To own, purchase or lease, hold and sell, or otherwise dispose of, on behalf of the unit owners, items of personal property necessary to or convenient in the management of the business and affairs of the association and the Board of Directors and in the operation of the property, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances, and office supplies.

5.2.13 To keep adequate books and records.

5.2.14 To borrow funds and enter into promissory notes.

5.2.15 To sell portions of the common areas and facilities.

5.2.16 To have a corporate seal.

5.2.17 To approve and sign checks and issue payment vouchers.

5.2.18 To pay off liens against any portion of the property.

5.2.19 To do all other acts necessary for the operation and maintenance of the property, including the maintenance and repair of any unit if the same is necessary to protect or preserve the property, provided however that the management shall operate no other business for profit.

5.2.20 To operate any laundry rooms and to repair and replace laundry equipment.

5.2.21 To rent or lease units for the unit owner and to charge increased dues or a fee for such service.

5.3 The Board of Directors may delegate to a manager or managing company all of its foregoing powers, duties, and responsibilities referred to in paragraph 5.2 above except: the final determination of common expenses, budgets and assessments based thereon, the promulgation of house rules and administrative rules and regulations, the power to enter into any contract involving more than \$5,000.00 in any one fiscal year, the opening of bank accounts, the power to purchase, hold, sell, convey, mortgage or lease any units in the name of the association or to bring, prosecute or settle litigation.

5.4 Members of the Board of Directors, the officers and any assistant officer, agents, and employees of the association (i) shall not be liable to the unit owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or gross negligence; (ii) shall have no personal liability

in contract to a unit owner or any other person or entity under any agreement, instrument, or transaction entered into by them on behalf of the association in their capacity as such; (iii) shall have no personal liability in tort to any unit owner or any person or entity, direct for them in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse, or condition of the property, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

5.5 The unit owners shall indemnify and hold harmless, any person, his heirs and personal representatives, from and against all personal liability and all expenses including counsel fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative instituted by any one or more unit owners, or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board of Directors or an officer or assistant officer, agent or employee of the association, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, provided, in the case of any settlement, that the Board of Directors shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of unit owners or of the Board of Directors or otherwise. The indemnification by the unit owners as contained herein shall be paid by the Board of Directors on behalf of the unit owners and shall constitute a common expense and shall be assessed and collectible as such.

5.6 Beginning with the first annual meeting and at every other annual meeting thereafter, the association shall elect the members of the Board of Directors for the forthcoming years.. At least thirty (30) days prior to any such annual meeting of the association, the Board of Directors shall select from the unit owners a nominating committee of not less than three (3) members (none of whom shall be members of the then Board of Directors) who shall recommend to the annual meeting one nominee for each position on the Board of Directors to be filled at that particular annual meeting. Nominations for positions on the Board of Directors may also be made by petition filed with the secretary of the association at least three (3) days prior to the annual meeting of the association, which petition shall be signed by three (3) or more unit owners and signed by the nominee named therein indicating his willingness to serve as a member of the Board of Directors if elected. Members of the Board of Directors shall not be required to be unit owners, but must be natural persons and residents of the State of North Carolina.

5.7 Members of the Board of Directors shall serve for a term of two (2) years. The members of the Board of Directors shall serve until their respective successors are elected, or until their death, resignation, or removal. Any member of the Board of Directors who fails to attend three consecutive Board of Directors meetings, or fails to attend at least 25 percent of the Board of Directors meetings held during any calendar year shall forfeit his membership on the Board of Directors.

5.8 Any member of the Board of Directors may resign at any time by giving written notice to the president of the association or the remaining Board of Directors members. Any member of the Board of Directors may be removed from membership on the Board of Directors by a two-thirds majority vote of the association. Whenever there shall occur a vacancy on the Board of Directors due to death, resignation, removal or any other cause, the remaining members shall elect a successor member to serve until the next annual meeting of the association, at which time said vacancy shall be filled by the association for the unexpired term, if any.

5.9 The members of the Board of Directors shall receive no compensation for their services unless expressly approved by a majority of the association; provided, however, that any member of the Board of Directors may be employed by the association in another capacity and receive compensation for such employment, if otherwise allowed.

5.10 The meetings of the Board of Directors shall be held at such places within the State of North Carolina as the Board of Directors shall determine. A majority of the members of the Board of Directors shall constitute a quorum and if a quorum is present, the decision of a majority of those present shall be the act of the Board of Directors. The Board of Directors shall annually elect all of the officers of the association. The meeting for the election of officers shall be held at the first meeting of the Board of Directors immediately following the annual meeting of the association.

5.11 Regular meetings of the Board of Directors may be held without call or notice.

5.12 Special meetings of the Board of Directors may be called by the president or by any two Board of Directors members. The person or persons calling a special meeting of the Board of Directors shall, at least five (5) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

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

5.14 The fiscal year shall be determined by the Board of Directors.

5.15 The membership may ratify actions taken by the Board of Directors subsequent to such actions and thereby give such action the full force and effect as though approved in advance.

6. Common Expenses: Assessments

6.1 All assessments shall be made and collected in accordance with this paragraph and the provisions of paragraph

7 hereof.

6.2 Each owner shall be liable for a proportionate share of the common expenses, such shares being the same as the percentage of undivided interest in the common areas and facilities appurtenant to the unit owned by the unit owner as set forth in Exhibit B.

6.3 Within thirty (30) days prior to the annual meeting of the association, the Board of Directors shall estimate the common expenses and capital contributions for the following year. The estimated capital contributions may include such amounts as the Board of Directors may deem proper for general working capital, for the general operating reserve, for a reserve fund for replacements and major maintenance, and shall take into account any expected income, surplus, or deficit in the common expenses for any prior year. These estimated capital contributions and common expenses shall be presented at the annual meeting and thereafter shall be assessed on a monthly basis to the unit owners in proportion to their percentage of undivided interest in the common areas and facilities as set forth in the Declaration. If the estimated common expenses prove inadequate for any reason, including nonpayment of any unit owner's assessments, the Board of Directors may, by resolution duly adopted, make additional assessments, which shall be assessed to the unit owners in the same manner as the estimated common expenses. Each unit owner shall be obligated to pay to the Board of Directors assessments made pursuant to this paragraph on or before the first day of each month, or in such other reasonable manner as the Board of Directors shall designate. The funds received by the Board of Directors from assessments shall be kept in either the capital account or in the common expense fund and shall be expended by the Board of Directors only in accordance with the provisions of the Act, the Declaration, and these Bylaws.

6.4 The failure by the Board of Directors before the expiration of any year to estimate the common expenses as required herein shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or these Bylaws, or a release of the unit owner from the obligation to pay any past or future assessments, and the estimated common expenses fixed for the previous and current year shall continue until a new estimate is fixed.

6.5 No unit owner may exempt himself from liability for common expenses by waiver of the use or enjoyment of any of the common areas and facilities or by abandonment of his unit.

6.6 The treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the common areas and facilities, specifying and itemizing the maintenance, repair, and replacement expenses of the common areas and facilities and any other expenses incurred. In accordance with the actions of the Board of Directors assessing common expenses against the units and unit owners, the treasurer shall keep an accurate record of such assessments and of the payments thereof by each unit owner. The books and accounts of the association shall be kept in accordance with generally accepted accounting procedures under the direction of the treasurer. The books and accounts of the association shall be available for inspection at the office of the association by any unit owner or his authorized representative during the regular business hours.

6.7 There shall be no single improvement exceeding the sum of \$5,000.00 made by the Board of Directors without the same having been first voted on and approved by two-thirds (2/3) majority of those present in person or by proxy of the association at a meeting duly called for that purpose. The foregoing shall not apply in connection with damage or destruction referred to in paragraph 10 of the Declaration or to such structural alterations, capital additions to, or capital improvements of the common areas and facilities as are necessary in the Board of Directors' reasonable judgment to preserve or maintain the integrity of the common areas and facilities or the property.

6.8 The Board of Directors shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. If the reserves are inadequate for any reason, including non-payment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners according to their respective Percentage Interests, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten days after the delivery of such notice of further assessment. All Unit Owners so notified shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date as set forth hereinafter.

6.9 Amendments to this paragraph 6 shall be effective only upon unanimous written consent of the unit owners and their mortgagees.

7. Collection of Assessments

7.1 All common expense assessments shall be a separate, distinct, and personal liability of the owner of the unit at the time each assessment is made. The Board of Directors shall have the rights and remedies contained in the Act, the Declaration, the Articles of Incorporation, and these Bylaws to enforce the collection of assessments for common expenses.

7.2 Any person who shall have entered into a written agreement to purchase a unit shall be entitled to obtain a written statement from the treasurer setting forth the amount of unpaid assessment charged against the unit and its owners and if such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, neither the purchaser nor the unit shall be liable for the payment of an amount in excess of the unpaid assessments shown thereon, provided that the former unit owner grantor shall remain so liable. Any such excess which cannot be promptly collected from the former unit owner grantor shall be reassessed by the Board of Directors as a common expense

to be collected from all unit owners, including without limitation the purchaser of the unit, his successors and assigns. The new unit owner shall, and the former unit owner shall not, be liable for any assessments made after the date of transfer of title to a unit, even though the common expenses for the expenses incurred or the advances made by the Board of Directors for which the assessment is made relate in whole or in part to any period prior to that date.

7.3 Each mortgagee who comes into possession of a condominium unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the condominium unit free of any claims for unpaid assessments or charges against such unit which accrue prior to the time such mortgagee comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all condominium units including the mortgaged condominium unit. In the event that title to a unit is transferred at a sheriff's sale pursuant to execution upon any lien against the unit, the Board of Directors shall give notice in writing to the sheriff of any unpaid assessments for common expenses which are a lien against the unit, and for any expenses of or advances by the Board of Directors which have not theretofore been reduced to a lien, which shall be paid out of the proceeds of the sale prior to the distribution of any balance to the former unit owner against whom the execution was issued. The purchaser at such sheriff's sale and the unit involved shall not be liable for unpaid assessments for common expenses and for any expenses of or advances by the Board of Directors which became due prior to the sheriff's sale of the unit. Any such unpaid assessments which cannot be promptly collected from the former unit owner shall be reassessed by the Board of Directors as a common expense to be collected from all of the unit owners, including the purchaser who acquired title at the sheriff's sale, his successors and assigns.

7.4 In addition to the statements issuable to purchasers of units, the Board of Directors shall provide a current statement of unpaid assessments for common expenses and for any expenses of and advances by the Board of Directors in respect of the unit, to the unit owner, to any person who shall have entered into a binding agreement to purchase the unit, and to any mortgagee on request at reasonable intervals.

7.5 In all cases where all or part of any assessments for common expenses and for any expenses of and advances by the Board of Directors cannot be promptly collected from the persons or entities liable therefor under the Act, the Declaration, the Articles of Incorporation, or these Bylaws, the Board of Directors shall reassess the same as a common expense, without prejudice to its rights of collection against such persons or entities.

7.6 Lien for unpaid assessments.

7.6.1 All sums assessed to any unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such unit in favor of the Board of Directors. Such lien shall be superior to all other liens and encumbrances on such unit, except only for:

(1) valid tax and special assessment liens on the unit in favor of any governmental assessing authority; and (b) encumbrances on the interest of the unit owner recorded prior to the date that notice of the lien provided for herein is recorded which by law would be a lien prior to subsequently recorded encumbrances. All other lienors acquiring liens on any unit after the Declaration shall have been recorded shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

7.6.2 To evidence a lien for sums assessed pursuant to this section, the Board of Directors may prepare a written notice of lien setting forth the amount of the assessment, together with court costs and attorney fees if allowable by law, the due date, the amount remaining unpaid, the name of the owner of the unit, and a description of the unit. Such a notice shall be signed by such body in the office of the Clerk of Superior Court of Forsyth County, North Carolina. No notice of lien shall be recorded until there is a delinquency in payment of the assessment for thirty (30) days or more. Such liens may be enforced by foreclosure by the Board of Directors in the same manner in which mortgages or trust deeds on real property may be foreclosed in North Carolina. In any such foreclosure, the owner shall be required to pay the cost and expenses of such proceeding, the costs and expenses of filing the notice of lien, and all reasonable attorney's fees. All such costs, expenses, and fees shall be secured by the lien being foreclosed. The lien shall also secure, and the owner shall also be required to pay to the Board of Directors, any assessments against the unit which shall become due during the period of foreclosure. The Board of Directors shall have the right and the power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale to acquire, hold, convey, lease, rent, encumber, use, and otherwise deal with the same as the owner thereof.

7.6.3 A release of lien shall be executed by the Board of Directors and recorded in the office of the Clerk of Superior Court of Forsyth County, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

7.6.4 Any encumbrancer holding a lien on a unit may pay, but shall not be required to pay, any amounts secured by the lien created by this section, and upon such payments such encumbrancer shall be subrogated to all rights of the Board of Directors with respect to such lien, including priority.

7.6.5 The assessing body shall report to any encumbrancer of a unit any unpaid assessments remaining unpaid for longer than thirty (30) days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the assessing body written notice of such encumbrance.

7.6.6 In any foreclosure of a lien for assessments, the unit owner subject to the lien shall be required to pay a reasonable rental for the unit, and the Board of Directors shall be entitled to the appointment of a receiver to collect the same.

7.7 Personal obligation assessments. The amount of any annual or special assessment against any unit shall be the personal obligation of the owner thereof to the Board of Directors. Suit to recover a money judgment for such personal obligation shall be maintainable by the Board of Directors without foreclosing or waiving the lien securing the same. No owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the common areas or by abandonment of his unit.

7.8 In addition to and not limited by any other remedy provided for herein, the Board of Directors may restrict or deny the use and enjoyment of any common area or facility to any owner, his family, guests, or assigns, who is delinquent in the payment of any regular or special assessment.

7.9 If the unit owner shall, at any time, let or sublet his unit and shall default for a period of one month in the payment of assessments, the Board of Directors may, at its option, so long as such default shall continue, demand and receive from the tenant or subtenant of the owner the rent due or becoming due, and the payment of such rent to the Board of Directors shall be sufficient payment and discharge of such tenant or subtenant and the owner to the extent of the amount so paid.

7.10 Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall be subject to a late charge of \$5.00 or of such other amount as shall be set by the Board of Directors or shall bear interest at such rate of interest as may be set by the Board of Directors, from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment first due.

8. Litigation

8.1 If any action is brought by one or more but less than all unit owners on behalf of the association and recovery is had, the plaintiff's expenses, including reasonable attorney's fees, shall be a common expense; provided, however, that if such action is brought against the unit owners or against the Board of Directors, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the unit owners, the plaintiff's expenses, including counsel fees, shall not be charged to or borne by the other unit owners, as a common expense or otherwise.

8.2 Complaints brought against the association, the Board of Directors or the officers, employees, or agents thereof, in their respective capacities as such or the property as a whole, shall be directed to the Board of Directors, which shall promptly give written notice thereof to the unit owners and any mortgagees and shall be defended by the Board of Directors and the unit owners and mortgagees shall have no right to participate other than through the Board of Directors in such defense. Complaints against one or more, but less than all unit owners, shall be directed to such unit owners, who shall promptly give written notice thereof to the Board of Directors and to the mortgagees affecting such units, and shall be defended by such unit owners.

9. Abatement and Restraint of Violations by Unit Owners.

The violation of any house rules or administrative rules or regulations adopted by the Board of Directors or the

breach of any provision contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws:

9.1 To enter the unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or

9.2 To enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

10. Special Committees

The Board of Directors by resolution may designate one or more special committees, each committee to consist of two (2) or more unit owners which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Board of Directors. Such special committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required. The members of such special committee or committees designated shall be appointed by the Board of Directors or the president. The Board of Directors or the president may appoint unit owners to fill vacancies on each of said special committees occasioned by death, resignation, removal, or inability to act for any extended period of time.

11. Membership and Voting

The members of the association shall be the fee owners of the units. The Board of Directors shall maintain a list of owners which shall be updated on a regular basis. At any meeting of the Association of Unit Owners, each unit owner, including declarant, either in person or by proxy, shall be entitled to the same number of votes as the percentage of undivided interest of the common areas and facilities assigned to his unit in Exhibit B to the Declaration. If there is more than one unit owner with respect to a particular unit, any or all of such unit owners may attend any meeting of the association, but it shall be necessary for all such unit owners present to act unanimously in order to cast the votes pertaining to their unit. All votes may be cast either in person or by proxy. All proxies shall be in writing and must be of record with the secretary at least two (2) days prior to such meeting. In voting for members of the Board of Directors, cumulative voting is allowed. In all other matters, cumulative voting shall not be allowed.

12. Notices, Waiver of Notice

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered twenty-four (24) hours after a copy of the same has been deposited in the U.S. Postal Service, postage prepaid. Notice to unit owners shall be addressed to each unit owner at the address given by such unit owner to the Board of Directors for the purpose of service of such notice or to the unit of such unit owner if no such address has been given to the Board of Directors. Such address may be

changed from time to time by notice in writing to the Board of Directors. Notice to the Board of Directors shall be addressed to any one of the Directors. Any unit owner may at any time waive any notice required to be given under these Bylaws, or by statute or otherwise. The presence of a unit owner in person at any meeting of the unit owners shall be deemed such waiver.

13. No Waiver

The failure of the Board of Directors or its contractors to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of the Declaration or Bylaws, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or relinquishment, for the future, of such term covenant, condition, or restriction; but such term, covenant, condition, or restriction shall remain in full force and effect. The receipt and acceptance by the Board of Directors or its contractor of the payment of any assessment from a unit owner, with knowledge of the breach of any covenant shall not be deemed a waiver of such breach, and no waiver by the Board of Directors of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Directors.

14. Availability of Declaration, Bylaws, Rules and Financial Statements

14.1 Current copies of the declaration, bylaws, other rules concerning the project and all books, records and financial statements of the Association shall be kept in the Association office and shall be available for inspection, upon request, during normal business hours by all unit estate owners and lenders, and to holders, insurers or guarantors of any first mortgage.

14.2 Financial statements for the immediately preceding fiscal year shall be furnished, upon written request, to any holder of a first mortgage or deed of trust on a unit estate.

15. Amendment of Bylaws

These Bylaws may be amended by a two-thirds (2/3) affirmative vote of the association at a meeting duly called for such purpose. Upon such an affirmative vote, the Board of Directors shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the unit owners and the amendments shall be effective upon recording.

16. Pets

Dogs, cats and pets may be kept in units provided that they are not allowed to roam or run loose outside of the unit. When outside of the unit, dogs, cats and pets must be on a leash, be carried or otherwise be restrained.

17. Severability

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity of enforceability of any other provision hereof.

18. Captions

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit, or describe the scope of these Bylaws nor the intent of any provision hereof.

19. Effective Date

These Bylaws shall take effect upon recording of the Declaration of Ramsgate Condominium.

EXHIBIT E

BEGINNING at a stake at the intersection of the southern right of way of Bonhurst Drive with the western right of way of Carriage Drive; thence with the southern right of way of Carriage Drive, South 26 degrees 58' 32" East 282.47 feet to an iron stake in the southern right of line of Carriage Drive; thence continuing South 26 degrees 58' 32" East 216.19 feet to an iron stake found in the eastern right of way of Carriage Drive; thence South 16 degrees 44' 50" West 181.05 feet to an iron stake, corner of Georgetown Partners, Ltd.; thence with a line to Georgetown Partners, Ltd., North 73 degrees 02' 37" West 312.00 feet to an iron stake in the line of Old Town Club Golf Course; thence with a line of Old Town Club Golf Course, North 16 degrees 52' 53" East 318.65 feet to an iron stake; thence with another line to Old Town Club Golf Course, North 58 degrees 19' 13" West 249.17 feet to an iron stake in the line of Bonnie Ridge Owners Association; thence with the line of Bonnie Ridge Owners Association, North 48 degrees 01' 33" East 102.86 feet to an iron found on the southern right of way line of Bonhurst Drive; thence with the southern right of way line of Bonhurst Drive North 82 degrees 26' 25" East 168.91 feet to the point of beginning, and being the identical property described in deed recorded in Deed Book 891, Page 334, according to a new survey by John G. Bane, Civil Engineer, dated September 29, 1983.

BOOK 1414P1695