

SCHEDULE "C"

TO DECLARATION OF UNIT OWNERSHIP FOR OAK BLUFF AT BRANDYWINE BAY, a
CONDOMINIUM, DATED THE 22ND DAY OF SEPTEMBER, 1976.

BYLAWS OF THE OAK BLUFF AT BRANDYWINE BAY
CONDOMINIUM ASSOCIATION

ARTICLE I

THE ASSOCIATION

Section 1. Name and Nature of Association. The Association shall be an unincorporated association and shall be called "The OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION" (herein as "the Association"). The business and property of OAK BLUFF AT BRANDYWINE BAY, a Condominium, shall be managed and directed by the Board of Directors of the Association.

Section 2. Membership. Each Unit Owner upon acquisition of an Ownership Interest in a Unit, shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition of such Unit Owner of his Ownership Interest, at which time the new Unit Owner shall automatically become a member of the Association.

Section 3. Voting Rights. Each member owning the entire Ownership Interest in a Unit shall be entitled to exercise that percentage of the total voting power of the Association which is equivalent to the percentage of interest of such member's Unit in the Common Areas and facilities (herein as "Common Elements"). If two or more persons, whether fiduciaries, tenants in common, tenants by the entirety or otherwise, own an interest in the Ownership Interest in a Unit, there shall be designated one person with respect to such Ownership Interest who shall be entitled to vote at any meeting of the Association. Such person is sometimes hereinafter referred to as "the voting member." Such voting member may be one of the group composed of all of the owners of the Ownership Interest in a Unit or may be some other person designated by such owners to act as proxy on their behalf. Such designation shall be in writing to the Board and shall be revocable at any time by written notice to the Board signed by each of the owners who signed the designation.

Section 4. Proxies. Members may vote or act in person or by proxy. The person appointed as proxy need not be a member of the Association. Designation by a member or members of a proxy to vote or act on his or their behalf shall be made in writing to the Board and shall be revocable

at any time by actual notice to the Board by the member or members making such designation. Notice to the Board in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 5. Meetings of Members.

(a) Annual Meeting. The annual meeting of members of the Association for the election of members of the Board, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly be brought before such meeting shall be held at the office of the Association, or at such other place upon or in close proximity to the Condominium Property as may be designated by the Board and specified in the notice of such meeting, at 10:00 o'clock a.m., eastern time or at such other time as may be designated by the Board and specified in the notice of such meeting. The first annual meeting of members of the Association shall be held on Saturday, October 8, 1977, and successive annual meetings of members of the Association shall be held on the second Saturday in April in succeeding years, if not a legal holiday and, if a legal holiday, then on the next succeeding Saturday.

(b) Special Meetings: Special meetings of the members shall be called upon the written request of the President of the Association or, in case of the President's absence, death or disability, the Vice President of the Association authorized to exercise the authority of the President, the Board by action at a meeting, or a majority of the members acting without a meeting, or of the members entitled to exercise at least twenty-five percent (25%) of the voting power. Calls for such meeting shall specify the time, place and purpose thereof. No business other than that specified in the call shall be considered at any special meeting.

(c) Notices of Meetings. Not less than seven (7) nor more than sixty (60) days before the day fixed for a meeting of the members of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these Bylaws to give such notice. The notice shall be given by personal delivery or by United States mail to each member of the Association. If mailed, the notice shall be addressed to the members of the Association

at their respective addresses as they appear on the records of the Association. Notice of the time, place and purpose of any meeting of members of the Association may be waived in writing, either before or after the holding of such meeting, by any member of the Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any member of the Association at any such meeting without protesting, prior to or at the commencement of the meeting, lack of proper notice shall be deemed to be a waiver of notice by such member of such meeting.

(d) Quorum; Adjournment. At any meeting of the members of the Association, the members of the Association entitled to exercise a majority of the voting power of the Association present in person or by proxy shall constitute a quorum for such meeting; provided, however, that no action required by law, by the Declaration or by these Bylaws to be authorized or taken by a designated percentage of the voting power of the Association may be authorized or taken by a lesser percentage; and provided further, that the members of the Association entitled to exercise a majority of the voting power represented at a meeting of members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned for lack of a quorum or without completing the business scheduled to come before the meeting, notice of the time and place to which such meeting is adjourned need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

(e) Order of Business. The order of business at all meetings of members of the Association shall be as follows:

- (1) Calling of meeting to order
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading of minutes of preceding meeting
- (4) Reports of officers
- (5) Reports of committees
- (6) Election of Inspectors of election
- (7) Election of members of Board
- (8) Unfinished and/or old business
- (9) New business
- (10) Adjournment

Section 6. Actions Without a Meeting. All actions, except removal of a Board member, which may be taken at a meeting of the Association, may be taken without a meeting with the approval of, and in a writing or writings signed by members of the Association having the

percentage of voting power required to take such action if the same were taken at a meeting. Such writings shall be permanently filed with the Secretary of the Association.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number and Qualification. Except as provided in Section 11 of this Article II, the Board shall consist of not less than three nor more than seven persons, the exact number of directors required from time to time to be fixed by Resolution of the Board of Directors of this Association. Except as provided in Section 11 of this Article II all persons nominated or elected to the Board shall be a Unit Owner and Occupant, officers of a corporation or other business entity owning an individual condominium unit or a partner in a partnership owning an individual condominium parcel.

Section 2. Election of Board; Vacancies. Board members shall be elected at the annual meeting of members of the Association or at a special meeting called for such purpose. At a meeting of members of the Association at which Board members are to be elected, except as provided in Section 11 of this Article II, only persons nominated as candidates shall be eligible for election as Board members and the candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any vacancy or vacancies in the Board, however caused, the remaining Board members, though less than a majority of the total authorized number of Board members, may, by vote of a majority of their number, fill any such vacancy for the unexpired term.

Section 3. Term of Office; Resignations. Each Board member shall hold office for the term stated below or until his successor is elected, or until his earlier resignation, removal from office or death. Any Board member may resign at any time by oral statement to that effect made at a meeting of the Board or in a writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the Board member may specify. Members of the Board shall serve without compensation. At the first annual meeting the members shall elect one-third (1/3) of the directors for a term of one year, one-third (1/3) of the directors for a term of two years and one-third (1/3) or the remaining number of directors for a

term of three years; and at each annual meeting thereafter the members

* shall elect one-third (1/3) of the directors for a term of three years.
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In the event of any increase in the number of directors, the additional directors shall be elected so that each respective "third" of directors shall be increased equally, as nearly as may be, and, in the event of any decrease in the number of directors, each respective "third" of directors shall be decreased equally, as nearly as may be. In view of the fact that the first annual meeting of members of the Association is scheduled for October 8, 1977 and succeeding annual meetings of members of the Association are scheduled for the second Saturday of April in succeeding years it is necessary that the terms of the Board members elected at the first annual meeting of members of the Association be reduced sufficiently to accommodate scheduling of the annual meetings.

Section 4. Organizational Meeting. Immediately after each annual meeting of members of the Association, the newly elected Board members and those Board members whose terms hold over shall hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of such meetings need not be given.

Section 5. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined by a majority of the Board, but at least four such meetings shall be held during each fiscal year.

Section 6. Special Meetings. Special meetings of the Board of Directors shall be held at any time upon call by the President or any two (2) Board members. Written notice of the time and place of each such meeting shall be given to each Board member either by personal delivery or by mail, telegram or telephone at least two (2) days before the meeting, which notice need not specify the purpose of the meeting; PROVIDED, HOWEVER, that attendance of any Board member at any such meeting without protesting, prior to or at the commencement of the meeting, lack of proper notice shall be deemed to be a waiver by him or her of notice of such meeting, and such notice may be waived in writing either before or after the holding of such meeting, by any Board member, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organizational, regular or special meeting.

Directors shall consist of a majority of the Board members then in office; provided that a majority of the Board members present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned for lack of a quorum or without completing the business scheduled to come before the meeting, notice of the time and place to which such meeting is adjourned need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting. At each meeting of the Board at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration of Unit Ownership or in these Bylaws.

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Section 8. Powers and Duties. Except as otherwise provided by law, the Declaration of Unit Ownership or these Bylaws, all power and authority of the Association shall be exercised by the Board of Directors. In carrying out the purposes of the Condominium Property and subject to the limitations prescribed by law, the Declaration of Unit Ownership or these Bylaws, the Board, for and on behalf of the Association, may

~~(a) purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein;~~

(b) make contracts; RE: MAINT REPAIRS & UPKEEP

(c) effect insurance;

~~(d) borrow money, and issue, sell and pledge notes, bonds, and other evidences of indebtedness of the Association;~~

(e) levy assessments against Unit Owners;

(f) employ lawyers and accountants to perform such legal and accounting services as the Board may authorize; and

(g) do all things permitted by law and exercise all power and authority within the purposes stated in these Bylaws, or the Declaration or incidental thereto.

(h) in addition to the foregoing the Board of Directors shall have the following duties and powers:

1) BOARD RESPONSIBLE FOR KEEPING UNIT OWNERS INFORMED
* SEND MONTHLY MINUTES TO OWNERS
(A) Duties. It shall be the duty of the Board of

Directors to:

2)

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

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

(iii) as more fully provided in the Declaration of Unit Ownership and/or these Bylaws, to:

(1) establish the annual assessment period and fix the amount of the annual assessment against each member at least thirty (30) days in advance of each annual assessment period;

(2) foreclose the lien against any Unit or property of a member for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same; and

(3) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period.

(iv) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(v) procure and maintain adequate liability and hazard insurance on property, if any, owned by the Association;

(vi) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate and as is required by the Declaration of Unit Ownership and/or these Bylaws; and

(vii) cause the Condominium Property to be maintained.

(B) Powers: The Board of Directors shall have power to:

(i) adopt and publish rules and regulations governing the use of the facilities of the Association, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(ii) suspend the voting rights and right to use of the facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

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

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

BAY DEVELOPMENT CORPORATION ("Declarant"). These persons may or may not be employees of Declarant and need not own or occupy a Unit. Until these persons are replaced by elected Board members they shall constitute the Board of Directors and exercise all powers and duties granted to the Board of Directors in these Bylaws. Said Directors are further specifically authorized to enter into a Management Agreement for the Association upon the terms, provisions, conditions and limitations as are herein and in the Declaration of Unit Ownership provided for and upon such other terms and conditions as the Directors may deem to be in the best interest of the Association.

~~(b) In addition thereto and NOTWITHSTANDING ANY PROVISION CONTAINED IN THESE BYLAWS TO THE CONTRARY, for so long as DECLARANT is the owner of three (3) or more OAK BLUFF AT BRANDYWINE BAY dwelling units, including any such dwelling units which may be added thereto pursuant to the provisions of Paragraph 17 of the Declaration of Unit Ownership, DECLARANT shall and does have and retain the right, privilege and option to designate, as nearly as may be, one-third (1/3) of the members of the Board of Directors of the Association. These appointees may or may not be employees of DECLARANT and need not own or occupy a Unit.~~

Section 12. The Brandywine Bay Association, Inc. (a) The Brandywine Bay Association is described and referred to in Paragraph 3(S) and Paragraph 19 of the Declaration of Unit Ownership. Coordination of some of the activities and assessment responsibilities of that Association with those of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION is essential and appropriate for a smooth functioning and efficient operation of the overall Brandywine Bay Community. Therefore, in addition to the powers and duties otherwise granted to and imposed upon the Board of Directors of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION by these Bylaws and the Declaration of Unit Ownership, said Board is further authorized and empowered to coordinate with the Board of Directors of The Brandywine Bay Association, Inc. such of their respective activities and functions as may be deemed appropriate by said Boards of Directors in order to avoid unnecessary duplication of managing agents, activities and functions, unnecessary expenses and to encourage efficiencies in the performance of their respective duties and obligations by said Boards of Directors.

(b) In order to facilitate collection of assessments by The Brandywine Bay Association, Inc. and in order to simplify assessment obligations of the members of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION, the Board of Directors of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION is further authorized and empowered to include in its annual budgets all assessments budgeted by The Brandywine Bay Association, Inc. applicable to members of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION, as if the same were a common expense of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION, and to thereafter collect from its members and transmit to The Brandywine Bay Association, Inc. all assessments of The Brandywine Bay Association, Inc. applicable to members of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION, whether so budgeted or not. PROVIDED, HOWEVER, ultimate collection of assessments for the Brandywine Bay Association shall be and remain the responsibility of The Brandywine Bay Association, Inc. and the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION shall not be responsible to The Brandywine Bay Association, Inc. for failure of its members to remit to it funds due to The Brandywine Bay Association, Inc., and the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION shall be entitled to collect or deduct the amount of its periodic assessments from its members remittances and forward the balance, if any, to The Brandywine Bay Association, Inc. PROVIDED, FURTHER, HOWEVER, that the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION may, in its sole and arbitrary discretion, elect, through a majority vote of the Board of Directors, to pay the amount of any defaulted payment due to The Brandywine Bay Association, Inc. and receive an assignment from The Brandywine Bay Association, Inc. of its rights in and to said claim, including, but not limited to, the right of The Brandywine Bay Association, Inc. to lien the unit of any member not making payment of assessments to The Brandywine Bay Association, Inc. Payment of any such defaulted amounts by the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION on one (1) or more occasions shall not be deemed to imply that such payments will be automatically made thereafter. Each specific instance shall require deliberate action of the Board of Directors of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION.

ARTICLE III

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board

of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members only.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration of Unit Ownership. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE IV

OFFICERS

Section 1. Election and Designation of Officers. The Board shall elect a President and a Vice President, each of whom shall be a member of the Board. The Board shall appoint a Secretary and a Treasurer who may or may not be members of the Board but who shall be members of the Association and the Board may also appoint an Assistant Treasurer and Assistant Secretary and such other officers as in their judgment may be necessary who may or may not be members of the Board but who are members of the Association. NOTWITHSTANDING the requirements of this section members of the Board of Directors who are appointed or designated pursuant to the provisions of Article II, Section 11 of these Bylaws shall be deemed qualified to serve as officers of the Association if they are so elected or appointed by the Board.

Section 2. Term of Office: Vacancies. The officers of the Association shall hold office until the next organizational meeting of the Board and until their successors are elected, except in cases of

officer at any time with or without cause by a majority vote of the Board members then in office. Any vacancy in any office may be filled by the Board.

Section 3. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of members of the Association and shall preside at all meetings of the Board. Subject to directions of the Board, the President shall have general executive supervision over the business and affairs of the Association. He may execute all authorized deeds, contracts and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Declaration of Unit Ownership or in these Bylaws.

Section 4. Vice President. The Vice President shall perform the duties of the President whenever the President is unable to act and shall have such other authority and perform such other duties as may be determined by the Board.

Section 5. Secretary. The Secretary shall keep the minutes of meetings of the members of the Association and of the Board. He shall keep such books as may be required by the Board, shall give notices of meetings of members of the Association and of the Board required by law, the Declaration of Unit Ownership or these Bylaws, and shall have such authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Declaration of Unit Ownership or these Bylaws.

Section 6. Treasurer. The Treasurer shall receive and have in charge all money, bills, notes and similar property belonging to the Association, and shall do with the same as may be directed by the Board. He shall keep accurate financial accounts and hold the same open for the inspection and examination of the Board and shall have such authority and shall perform such other duties as are determined by the Board.

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BY UNIT OWNERS & THEIR DESIGNEE'S

Section 7. Other Officers. The Assistant Secretaries and Assistant Treasurers, if any, and any other officers whom the Board may appoint shall, respectively, have such authority and perform such duties as may be determined by the Board.

Section 8. Delegation of Authority and Duties. The Board is authorized to delegate the authority and duties of any officer to any

other officer and generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein. The office of Treasurer may be held by any other officer of the Association, except that the President shall not also hold the office of Treasurer.

ARTICLE V

GENERAL POWERS OF THE ASSOCIATION

Section 1. Common Expenses. The Association, for the benefit of all the Unit Owners, shall pay all Common Expenses arising with respect to, or in connection with, the Condominium Property, including, without limitation, the following:

(a) Utility Service for Common Areas and Facilities. The cost of water, waste removal, electricity, telephone, heat, power or any other utility service for the Common Elements and, to the extent that the same are not separately metered or billed to each Condominium Unit, for the Condominium Units, excluding the Limited Common Areas and Facilities (herein as Limited Common Elements). Upon determination by the Board that any Unit Owner is using excessive amounts of any utility services which are Common Expenses, the Association shall have the right to levy special assessments against such Unit Owner to reimburse the Association for the expense incurred as a result of such excessive use;

(b) Casualty Insurance. The premium upon a policy or policies of Casualty Insurance insuring the Common Elements, with extended coverage, vandalism and malicious mischief endorsements, as provided in the Declaration, the amount of which insurance shall be reviewed annually;

(c) Liability Insurance. The premium upon a policy or policies of insurance for the Association, the members of the Board, the Unit Owners and the Occupants against liability for personal injury, disease, illness or death or for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Common Elements, as provided in the Declaration, and the limits of such policy shall be reviewed annually;

(d) Workmen's Compensation. Workmen's compensation insurance to the extent necessary to comply with any applicable laws;

(e) Wages and Fees for Services. The wages and/or fees for services, of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Condominium Property, the services of any

person or persons required for the maintenance or operation of the Condominium Property (including a recreation director, if any), and legal and/or accounting services necessary or proper in the operation of the Condominium Property or the enforcement of the Declaration of Unit Ownership and these Bylaws and for the organization, operation and enforcement of the rights of the Association;

(f) Care of Common Areas and Facilities (the Common Elements)

The cost of landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintaining, decorating, repairing and replacing of the Common Elements, excluding the Limited Common Elements.

(g) Exterior Maintenance. The cost of exterior maintenance in accordance with the following provisions:

(i) In addition to Maintenance upon the Common Elements, the Association shall provide exterior maintenance upon each unit which is subject to assessment hereunder, as follows: paint, repair, replacement and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces, screens and screen doors, exterior door and window fixtures and other hardware or decks, balconies or patios, except that such exterior maintenance shall include painting of decks, balconies and patios.

(ii) In the event that the need for maintenance or repair is caused through the willful or negligent act of an Owner, his family, or guests, or invitees, such negligent or willful act to be determined by the Board of Directors acting in good faith after hearing all available facts, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such unit is subject. ^{OR REPAIRS} ~~OR UNENCLOSED BALCONY~~ ~~GENERAL RESPONSIBILITY~~

(iii) In the event an Owner of any unit shall fail to maintain the premises and the improvements situated thereon in a manner reasonably satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said unit and to repair, maintain, and restore the unit and the exterior of the building and any other improvements erected thereon. The cost of such maintenance shall be added to and become part of the assessment to which such unit is subject.

caused thereby shall be repaired by the Association. The Association reserves the right to retain a pass key to each Unit and no locks or other devices shall be placed on the doors to the Units to obstruct entry through the use of such pass key. In the event of any emergency or manifest danger originating in or threatening any Unit at a time when required alterations or repairs are scheduled, the management or its representatives or any other person designated by the Board may enter the Unit immediately, whether the Unit Owner is present or not.

Section 3. Capital Additions and Improvements. Whenever, in the judgment of the Board, the Common Elements shall require additions, alterations or improvements (as opposed to maintenance, repair and replacement) costing in excess of Five Thousand Dollars (\$5,000.00) and the making of such additions, alterations or improvements shall have been approved by Unit Owners entitled to exercise not less than two-thirds (2/3) of the voting power of the Association, the Board shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing Five Thousand Dollars (\$5,000.00) or less may be made by the Board without approval of the Unit Owners, and the cost thereof shall constitute a common expense, and the Association may specially assess therefor if the funds are not otherwise available.

Section 4. Rules and Regulations. The Association, by vote of the members entitled to exercise a majority of the voting power of the Association, or the Board of Directors thereof may adopt such reasonable Rules and Regulations, and from time to time amend the same, as it or they may deem advisable for the maintenance, conservation and beautification of the Condominium Property, and for the health, comfort, safety and general welfare of the Unit Owners and Occupants. Written notice of such Rules and Regulations shall be given to all Unit Owners and Occupants and the Condominium Property shall at all times be maintained subject to such Rules and Regulations. In the event such Rules and Regulations shall conflict with any provisions of the Declaration of Unit Ownership or of these Bylaws, the provisions of the Declaration and of these Bylaws shall govern.

Section 5. Special Services. The Association may arrange for special services and facilities for the benefit of such Unit Owners and Occupants as may desire to pay for the same, including, without limitation,

AT ADVISABLE
AT SALE &
NEW UNIT
OWNERS &
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the cleaning, repair and maintenance of Units and special recreational, education or medical facilities. The cost of any such special services or facilities shall be determined by the Association and may be charged directly to participating Unit Owners as a special assessment or paid by the Association as a Common Expense, in which case a special assessment shall be levied against such participating Unit Owners to reimburse the Association therefor.

Section 6. Delegation of Duties. Nothing herein contained shall be construed so as to preclude the Association, through its Board of Directors and officers, from delegating in accordance with the Declaration of Unit Ownership, to persons, firms or corporations, including any manager or managing agent, such duties and responsibilities of the Association as the Board shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

ARTICLE VI

FINANCES OF ASSOCIATION

Section 1. Preparation of Estimated Budget. Each year on or before December 1st, the Association shall estimate the total amount necessary to pay all the Common Expenses for the next calendar year together with reasonable amounts considered by the Association to be necessary as reserves for contingencies and replacements, and shall on or before December ^{31st} 15th notify each Unit Owner in writing as to the amount of such estimate, with reasonable itemizations thereof. The "estimated cash requirement" shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. On or before January 1st of the ensuing year and the 1st of each and every month of said year, each Unit Owner shall be obligated to pay to the Association as it may direct one-twelfth (1/12th) of the assessment made pursuant to this Section. On or before the date of each annual meeting, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited, according to each Unit Owner's percentage of

ownership in the Common Elements, to the next monthly installments due from Unit Owners under the current year's estimate, until exhausted, and any net shortage shall be added, according to each Unit Owner's percentage of ownership in the Common Elements, to the installments due in the succeeding six months after rendering the accounting.

Section 2. Reserve for Contingencies and Replacements. The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year, shall be charged first against such reserve. If said estimated cash requirement proves inadequate for any reason, including nonpayment of any Unit Owner's assessment, such extraordinary expenditures shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. The Association shall serve notice of such further assessment on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessments shall be payable with the next regular monthly payment becoming due to the Association not less than ten (10) days after delivery or mailing of such notice of further assessment. All unit Owners shall be obligated to pay the adjusted monthly amount.

200
Check in amount

Section 3. Budget for First Year. The budget for the remainder of the calendar year 1976 and for the calendar year 1977 shall be determined by the Board appointed by Declarant.

Section 4. Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or deliver to the Unit Owners the annual or adjusted estimate shall not constitute a waiver or release in any manner of such Unit Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Unit Owner shall continue to pay the monthly maintenance charge at the existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed and/or delivered.

Section 5. Books and Records of Association. The Association shall keep full and correct books of account and the same shall be open for inspection by any Unit Owner or his representative duly authorized

in writing, at such reasonable time or times during normal business hours as may be requested by such Unit Owner. Upon ten (10) days notice to the Board, any Unit Owner and/or the holder of a first mortgage or Deed of Trust on any unit, shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 6. Status of Funds Collected by Association. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all of the Unit Owners, and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the use, benefit and account of all of the Unit Owners in proportion to each Unit Owner's percentage ownership in the Common Elements.

Section 7. Annual Audit. The books of the Association shall be audited once a year ~~by the Board and~~ such audit shall be completed prior to each annual meeting. In addition, an outside audit shall be made at least once during each calendar year.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Indemnification of Board Members and Officers.

Each Board member and officer of the Association, and each former Board member and former officer of the Association, shall be indemnified by the Association against the cost and expenses reasonably incurred by him in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, to which he is or may be made a party by reason of his being or having been such Board member or officer of the Association (whether or not he is a Board member or officer at the time of incurring such costs and expenses), except with respect to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for misconduct or negligence in the performance of his duty as such Board member or officer. In case of the settlement of any action, suit or proceeding to which any Board member or officer of the Association, or any former Board member or officer of the Association, is made a party or which may be threatened to be brought against him by reason of his being or having been a Board member or officer of the Association, he shall be indemnified by the Association against the

costs and expenses (including the cost of settlement) reasonably incurred by him in connection with such action, suit or proceeding (whether or not he is a Board member or officer at the time of incurring such costs and expenses), if (a) the Association shall be advised by independent counsel that, in such counsel's opinion, such Board member or officer did not misconduct himself or was not negligent in the performance of his duty as such Board member or officer with respect to the matters covered by such action, suit or proceeding, and the cost to the Association of indemnifying such Board member or officer (and all other Board members and officers, if any, entitled to indemnification hereunder in such case) if such action, suit or proceedings were carried to a final adjudication in their favor could reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Board members and officers as a result of such settlement, or (b) disinterested Association members entitled to exercise a majority of the voting power shall, by vote at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Board member or officer of such costs and expenses. The phrase "disinterested members" shall mean all members of the Association other than (i) any Board member or officer of the Association who at the time is or may be entitled to indemnification pursuant to the foregoing provisions, (ii) any corporation or organization of which any such Board member or officer owns of record or beneficially ten percent (10%) or more of any class of voting securities, (iii) any firm of which such Board member or officer is a partner, and (iv) any spouse, child, parent, brother or sister of any such Board member or officer. The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of each such Board member or officer, and shall not be exclusive of other rights to which any Board member or officer may be entitled as a matter of law or under the Declaration of Unit Ownership, any vote of the Association members or any agreement.

Section 2. Amendments. Provisions of these Bylaws may be amended by the Unit Owners at a meeting held for such purpose by the affirmative vote of those unit owners entitled to exercise not less than seventy-five percent (75%) of the voting power; provided that Amendment of Article II, Section 11 shall require the affirmative vote of those unit owners entitled to exercise not less than one hundred percent (100%) of the

voting power. Any such amendment shall not be effective until it is set forth in an Amendment to the Declaration, duly recorded, as required under Chapter 47A of the North Carolina General Statutes (the Unit Ownership Act.) No such amendment shall conflict with the provisions of the Declaration or of the Unit Ownership Act. All Unit Owners shall be bound by an amendment upon the same being passed and duly set forth in an amended Declaration duly recorded.

Section 3. Definitions. The terms used in these Bylaws (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of these Bylaws and of any amendment hereto shall have the respective meanings specified in Paragraph 3 of the Declaration of Unit Ownership.

SCHEDULE "D"

TO DECLARATION OF UNIT OWNERSHIP FOR OAK BLUFF AT BRANDYWINE BAY, A
CONDOMINIUM, DATED THE 2nd DAY OF December, 1976.

SCHEDULE "D" IS THE DRAWINGS. SEE PARAGRAPH 3(L) OF THE
DECLARATION OF UNIT OWNERSHIP

RULES AND REGULATIONS
OF
OAK BLUFF AT BRANDYWINE BAY,
A CONDOMINIUM

1. GENERAL

Each owner is responsible for the proper conduct of members of his family, his guests and service personnel. He should be certain that they understand and observe all rules and regulations promulgated by the Board of Directors of the Oak Bluff at Brandywine Bay Unit Owners Association.

2. STAFF

The number of employees and/or maintenance subcontractors permitted in the budget is limited and each has a full work schedule. Only the managing agent or the President of the Association is authorized by the Board of Directors to give instructions to or direct the activities of the maintenance staff or maintenance subcontractors.

3. SECURITY

Security is the responsibility of each and every resident. Depending on the nature of the situation, owners are requested to notify the security guards, the sheriff's office, or the managing agent of any suspicious people, trespassing, and/or unusual activities in the condominium area. It is also suggested that the managing agent and security guards be notified when a condominium unit will be left unoccupied for an extended period of time.

4. GUESTS

No children under sixteen (16) years of age are permitted to occupy an apartment residence unless the parents or the owners are in residence at the same time. Any request for exceptions to this rule should be made in writing to the Board of Directors. Guests should be given copies of Rules and Regulations and owners will be responsible for their compliance with such rules. The facilities of the condominium are for the exclusive use of the Association members, lessees, resident house guests, or visitors accompanied by an Association member. No guest or relative of any member or lessee, other than a house guest or relative actually in residence, shall be permitted to use any of the common areas unless accompanied by a resident.

5. NOISE

Being thoughtful of one's neighbors is an especially important consideration in a multi-family building. Loud noises from televisions,

stereo equipment, musical instruments, annoying pets and other disturbances should be avoided at all times, and especially during the hours between 11:00 p.m. and 8:00 a.m. If an owner or occupant should be disturbed by noise, he should notify the managing agent or the security guards.

6. CHILDREN

Reasonable supervision of children by a responsible adult must be exercised at all times when children are playing on the grounds or swimming in Bogue Sound. Special attention should be exercised while driving within the condominium property to insure the safety of all children.

7. PETS

Dogs, cats and other domestic pets are allowed, provided that the same shall not disturb or annoy other occupants. Any inconvenience, damage or unpleasantness caused by such pets shall be the sole responsibility of the respective owners thereof. All such pets shall be kept under the direct control of their owners at all times and shall not be allowed to run free or unleashed or otherwise interfere with the rights, comfort and convenience of any of the Unit owners or occupants.

8. FACILITIES

Water and other common utilities shall not be used or left running for unnecessary or unreasonable lengths of time. No one shall interfere in any manner with the normal operation of watering apparatus or lighting devices utilized for the benefit of common areas.

9. TRASH

All residents are expected to share in the responsibility for maintaining clean grounds throughout the common area. All rubbish, trash or garbage should be carefully placed in the receptacles provided, and shall be regularly removed from the unit, service court yard or patio area so as to not accumulate therein.

10. HAZARDS

Owners are responsible for seeing that nothing is placed in storage areas which would be a fire hazard. In addition, no owner shall use or permit to be brought into any dwelling unit inflammable oils or fluids such as gasoline, kerosene, or other explosives or articles deemed hazardous to life, limb or property. The discharge of fire works and/or any other noise making or explosive device is expressly prohibited on any part of the condominium property at all times.

11. EXTERIOR APPEARANCE

To maintain a uniform and pleasing appearance to the exterior of the building, no awnings or projections shall be attached to the outside walls or to the balcony. This includes any type of screen or umbrella. Balcony or porch floors may be painted any color desired, otherwise the standard exterior colors shall not be altered. No sign, notice or advertisement shall be inscribed or exposed on or at any window or other part of the dwelling units, except such as shall have been approved in writing by the Board of Directors. All clotheslines, equipment, garbage cans, woodpiles or storage piles shall be kept within the fenced service courtyard so as to not be visible from adjacent units or nearby streets and parking areas. No exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements except the aeriels or master antenna system owned and maintained as part of the common elements of the Association. The common areas are for the use and enjoyment of all members of the Association. No one member nor group of members, except through a bonafide action of the Association, shall attempt to alter, modify, or install any fixture, monument, decorative item, tree or shrub upon any portion of the common area without the consent of the Association.

12. BALCONIES AND PORCHES

Articles of clothing, linens, towels, etc. shall not be hung from the balconies, porches or window sills. No objects shall be kept, placed or maintained on ledges of the balconies, porches or windows. Glass tops for tables which will be left on patios or balconies should be avoided unless such tops are securely fastened to the table frame. Cigars, cigarettes or any other object should not be dropped or thrown on external areas of the dwelling unit or the common areas. No rugs shall be beaten on patios, porches, balconies or other common areas, nor dust, rubbish or litter swept from the unit or any other room thereof onto any of the walkways, entranceways or other common areas. Each Unit Owner who plans to be absent from his unit for an extended period of time should prepare his unit prior to his departure by removing all furniture, plants or other objects from his balcony or porch.

13. PARKING

As a security measure, automobile doors should be kept locked. Each Unit Owner should respect the property of others and should exercise

care in opening car doors so as not to cause any damage to adjoining vehicles. Two paved parking spaces are located within convenient access to each unit. If for any reason a unit owner or his guests should require more than the allocated two paved parking spaces, it is requested that the unit owner or his guests utilize the unpaved parking areas and/or the paving parking areas by the swimming pool.

14. PLUMBING

Water-closets and other water apparatus in the buildings shall not be used for any purpose other than those for which they were constructed nor shall any sweepings, rubbish, bags, paper, ashes or any other article be thrown in same. Any damage resulting from misuse of any water-closets or other plumbing apparatus shall be paid for by the owner in the dwelling unit in which the problem was created.

15. USE OF CYCLES, SKATE BOARDS, MOTOR BIKES, ETC.

The greens and walkways in front of the dwelling units and the entranceways to the dwelling units shall not be obstructed or used for any purpose other than ingress to and egress from the dwelling units. No bicycles, skate boards, scooters, carriages, or similar vehicles or toys or other personal articles shall be allowed to stand in any of these areas. Motor bikes shall be prohibited from operation in the condominium property at all times.

16. ENTRY TO UNITS

The agents of the Association and any contractor or workman authorized by the Association may enter any dwelling unit, patio, or courtyard at any reasonable hour of the day for any purpose permitted under the terms of the Declaration of Condominium, Bylaws of the Association or Management Agreement. Except in cases of emergency, entry will be made only by prearrangement with the owner.

17. REMEDY FOR VIOLATIONS

The foregoing rules and regulations are designed to make living for each unit owner pleasant and comfortable for the mutual benefit of all. Violations of these rules and regulations are to be reported to the managing agent, who will bring any violation to the attention of the Unit Owner, lessee or guest for corrective action.

18. RULE CHANGES

The Directors of the Association reserve the right to change or revoke existing rules and regulations and make such additional rules

and regulations from time to time as, in their opinion, shall be necessary or desirable for the safety and protection of the condominium property and its occupants and to promote cleanliness and good order of the property and to assure the comfort and convenience of its members.