

BOOK 756 PAGE 299

(7) Notice of any default of the holder's Owner which is not cured by the Owner within thirty (30) days after the giving of notice by the Association to the Owner of the existence of the default;

(8) The right to examine the books and records of the Association at any reasonable time upon notice of not less than five (5) business days.

B. Form of Request. The request of a holder of a deed of trust shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Association. Failure of the Association to provide any of the foregoing to a holder of a deed of trust who has made a proper request therefor shall not affect the validity of any action which is related to any of the foregoing. The Association need not inquire into the validity of any request made by a holder of a deed of trust hereunder and in the event of multiple requests from purported holders of deeds of trust on the same Condominium Unit, the Association shall honor the most recent request received.

C. Protection. No violation or breach of or failure to comply with any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any holder of a deed of trust taken in good faith and for value and perfected by recording in the appropriate office, prior to the time of recording in said office of an instrument describing the Condominium Unit and listing the name or names of the Owner or Owners thereof and giving notice of such violation, breach or failure to comply. However, any purchaser on foreclosure or person accepting a deed in lieu thereof shall take subject to this Declaration.

34. COMPULSORY ARBITRATION. All controversies, claims and matters of difference, including all questions as to whether the right to arbitrate any question exists, excepting those matters for which this Declaration specifically provides another method of settlement or enforcement, arising between or among the Owners, the Association, the Board, the Manager and any agent or committee of the Association or Board, shall be settled by arbitration in Jacksonville, Onslow County, North Carolina, according to the rules and practices of the American Arbitration Association from time to time in force, except that if such rules and practices shall conflict with the North Carolina Rules of Civil

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Procedure or any other provision of North Carolina Law then in force, such North Carolina rules and provisions shall govern. This submission and agreement to arbitrate shall be specifically enforceable. Arbitration may proceed in the absence of either party if notice of the proceedings has been given to such party. The parties agree to abide by all awards rendered in such proceedings. Such awards shall be final and binding on all parties to the extent and in the manner provided by the North Carolina Rules of Civil Procedure, and the costs of arbitration including reasonable attorney's fees shall be borne by the losing party thereto unless the arbitrators specify otherwise. All awards of the arbitrators may be filed with the Clerk of the Court of the County of Onslow, State of North Carolina, as a basis of declaratory or other judgment and for the issuance of execution, and, at the election of the party making such filing, with the clerk of one or more other courts, state or federal, having jurisdiction over the party against whom such an award is rendered or its property. No party shall be considered in default hereunder during the pendency of arbitration proceedings relating to such default.

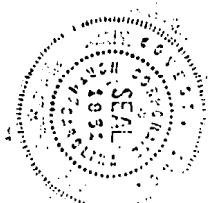
35. WAIVER. No provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

36. LAW CONTROLLING. This Declaration and the By-Laws attached hereto shall be construed under and controlled by the laws of the State of North Carolina.

37. WARRANTIES. Declarant acknowledges that all contractual warranties set forth in the building's construction contract, of material and equipment in the unit, shall accrue to the benefit of the owner of such unit, along with all warranties, if any, provided by the manufacturer or supplier of appliances, air conditioning, heating and utility systems in the unit. THE CLOSING OF TITLE OR OCCUPANCY OF THE UNIT SHALL CONSTITUTE AN ACKNOWLEDGEMENT BY THE UNIT OWNER THAT DECLARANT MAKES NO OTHER IMPLIED OR EXPRESS WARRANTIES RELATING TO THE UNIT OR THE COMMON AREAS AND FACILITIES, EXCEPT FOR SUCH WARRANTIES AS ARE SET FORTH BY THE GENERAL WARRANTY DEED TO THE UNIT AND A ONE YEAR LIMITED WARRANTY AS TO DEFECTS IN APPLIANCES IN THE UNITS AND A ONE YEAR LIMITED WARRANTY ON THE UNIT ITSELF. SAID WARRANTY SHALL OBLIGATE DEVELOPER TO REPAIR SAID DEFECT ONLY AND SHALL NOT INCLUDE ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES.

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IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, this 17th day of June, 1985.



COVEST, INC.
A North Carolina Corporation

BY: Bobby J. Dixon (SEAL)
President

ATTEST:

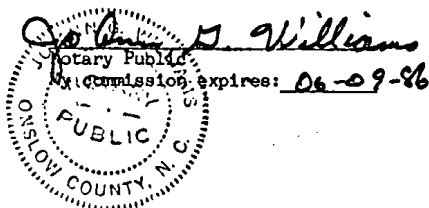
John H. [Signature]
Secretary (Corporate Seal)

STATE OF NORTH CAROLINA

COUNTY OF ONSLOW

I, a Notary Public of said County and State, do hereby certify that Bobby J. Dixon, personally came before me this day and acknowledged that (s)he is _____ Secretary of COVEST, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by its _____ Secretary.

Witness my hand and seal, this 17th day of June, 1985.



BOOK 756 PAGE 302

CHARLES S. LANIER, Trustee of Onslow County, North Carolina and M. F. BOSTIC of Duplin County, North Carolina, join in the execution of this Declaration for the sole purpose of submitting and subjecting any and all interest they, or either of them have or may have, by virtue of that certain deed of trust recorded in Book 629, Page 685, of the Onslow County Registry, to this Declaration.

IN WITNESS WHEREOF, CHARLES S. LANIER, Trustee and M. F. BOSTIC, have hereunto set their hands and seals, this 15 day of November, 1985.

Charles S. Lanier (SEAL)
CHARLES S. LANIER, TRUSTEE

M. F. Bostic (SEAL)
M. F. BOSTIC

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a Notary Public of said County and State, do hereby certify that CHARLES S. LANIER, Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes and intents therein expressed.

Witness my hand and seal, this 15 day of November, 1985.

Jo Ann G. Williams
Notary Public
My Commission Expires: 6-9-86
STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a Notary Public of said County and State, do hereby certify that M. F. BOSTIC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes and intents therein expressed.

Witness my hand and seal, this 15 day of November, 1985.

Jo Ann G. Williams
Notary Public
My Commission Expires: 6-9-86
STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

BOOK 756 PAGE 303

CHARLES S. LANIER, Trustee of Onslow County, North Carolina and ROGER PAGE, JR., of Forsyth County, North Carolina, join in the execution of this Declaration for the sole purpose of submitting and subjecting any and all interest they, or either of them have or may have, by virtue of that certain deed of trust recorded in Book 629, Page 688, of the Onslow County Registry, to this Declaration.

IN WITNESS WHEREOF, CHARLES S. LANIER, Trustee and ROGER PAGE, JR., have hereunto set their hands and seals, this 15 day of November, 1985.

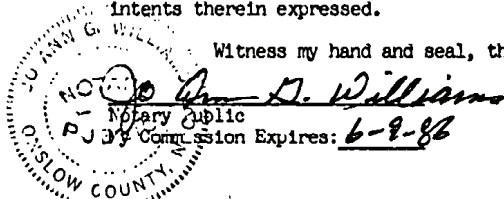
Charles S. Lanier (SEAL)
CHARLES S. LANIER, TRUSTEE

Roger Page Jr (SEAL)
ROGER PAGE, JR.

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a Notary Public of said County and State, do hereby certify that CHARLES S. LANIER, Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes and intents therein expressed.

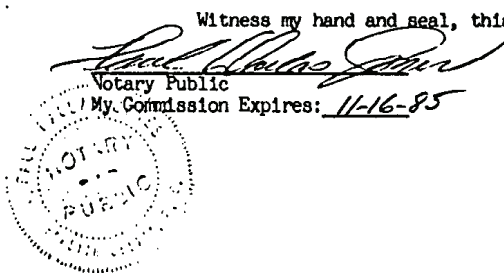
Witness my hand and seal, this 15 day of November, 1985.



STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

I, a Notary Public of said County and State, do hereby certify that ROGER PAGE, JR., personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes and intents therein expressed.

Witness my hand and seal, this 15 day of November, 1985.



NORTH CAROLINA, ONSLOW COUNTY

The foregoing certificate(s) of Jo Ann G. Williams, Devere D. Buck
Paul Dallas Jones

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 756 Page 274 This 19 day of November
19 85 A.D. at 11:30 o'clock A M.
Michael M. Brown Register of Deeds, Onslow County

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JOHN S. MOORE, II, Trustee, of Pitt County, North Carolina and UNITED CAROLINA BANK join in the execution of this Declaration for the sole purpose of submitting and subjecting any and all interest they, or either of them have or may have, by virtue of those certain deeds of trust recorded in Book 712, Page 601, and Book 752, Page 426, of the Onslow County Registry, to this Declaration.

IN WITNESS WHEREOF, JOHN S. MOORE, II, Trustee, has hereunto set his hand and seal, and UNITED CAROLINA BANK has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, this the 13th day of November, 1985.

John S. Moore, II (SEAL)
JOHN S. MOORE, II, TRUSTEE

UNITED CAROLINA BANK

BY: John S. Moore, II (SEAL)
Vice President



Denise S. Angel
Asst. Secretary

STATE OF NORTH CAROLINA
COUNTY OF

I, a Notary Public of said County and State, do hereby certify that JOHN S. MOORE, II, Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes and intents therein expressed.

Witness my hand and seal, this 13th day of November 1985.

Dwaine D Buck
Notary Public

My Commission Expires: My Commission Expires February 14, 1988



STATE OF NORTH CAROLINA
COUNTY OF

I, a Notary Public of said County and State, do hereby certify that Denise S. Angel, personally came before me this day and acknowledged that (s)he is Asst. Secretary of UNITED CAROLINA BANK, a North Carolina Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by Denise S. Angel its Asst. Secretary.

Witness my hand and seal, this 13th day of November 1985.

Dwaine D Buck
Notary Public

My Commission Expires: My Commission Expires February 14, 1988



BOOK 756 PAGE 305

EXHIBIT "A"

Being all that parcel of land lying and being in Stump Sound Township, Onslow County, North Carolina, and more particularly described as follows:

Beginning at an iron stake at the approximate mean high water line of the Atlantic Ocean which said iron stake is located from Triangulation Station "View" South 20 degrees 36 minutes 11 seconds West 566.92 feet to an iron stake in the center of old S. R. 1568 (Abandoned) and the Hunter Heath-Bell and Warren Line; with said line South 28 degrees 48 minutes 49 seconds East 238.17 feet to a point at the approximate mean high water line of the Atlantic Ocean; and with said approximate high water line South 64 degrees 38 minutes 01 seconds West 353.05 feet to said beginning iron pipe. Said beginning point being so located runs thence as follows: With approximate mean high water line of Atlantic Ocean 64 degrees 38 minutes 01 seconds West 293.00 feet to a point; thence North 25 degrees 21 minutes 59 seconds West 613.07 feet (passing over an inline concrete monument at 193.53 feet and 543.07 feet) to a point in the Northern right-of-way line of 60.00 feet wide right-of-way of S. R. 1568, thence with said northern right-of-way North 63 degrees 19 minutes 00 seconds East 132.71 feet and the chord of a curve North 58 degrees 18 minutes 51 seconds East 161.30 feet to a point; thence South 25 degrees 21 minutes 59 seconds East 633.88 feet to the point of beginning.

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EXHIBIT "B"

Being all that parcel of land lying and being in Stump Sound Township, Onslow County, North Carolina, and more particularly described as follows:

TRACT I:

Beginning at an iron stake at the approximate mean high water line of the Atlantic Ocean which said beginning point is located from Triangulation Station "View" South 20 degrees 36 minutes 11 seconds West 566.92 feet to an iron stake in the Eastern line of Lot No. 9 and Hunter Heath Property line, thence South 28 degrees 48 minutes 49 seconds East 288.17 feet to a point and South 64 degrees 38 minutes 01 seconds West 646.05 feet to the point of Beginning and runs thence as follows: With the approximate mean high water line of the Atlantic Ocean South 64 degrees 38 minutes 01 seconds West 114.00 feet to a point; thence South 63 degrees 19 minutes 11 seconds West 212.77 feet to a point; thence North 26 degrees 40 minutes 49 seconds West 610.28 feet (passing over an inline concrete monument at 540.28 feet) to a point in the Northern Margin of the 60.00 feet wide right-of-way of S.R. 1568; thence with said Margin North 63 degrees 19 minutes 00 seconds East 340.80 feet to a point; thence South 25 degrees 21 minutes 59 seconds East 613.07 feet (passing over an inline concrete monument at 70.00 feet) to the beginning. The above described lot or tract is all of Lot No. 7 as shown on a map entitled "Survey for M. F. Bostic "Bell and Warren Tract" Lots No. 1 thru No. 9.

TRACT II:

Beginning at an iron stake in the Hunter Heath Property line as shown on a map entitled "Survey for M.F. Bostic and Roger Page, Jr.," which said map is recorded in Map Book _____, Page _____, in the Onslow County Registry. Said beginning point is located South 20 degrees 36 minutes 11 seconds West 566.92 feet from Triangulation Station "View", said beginning point being so located runs thence as follows: With the Hunter Heath Property line South 28 degrees 48 minutes 49 seconds East 288.17 (passing over an inline concrete monument at 54.00 feet) to a point at the approximate Mean High Water line of the Atlantic Ocean; thence, with said approximate mean highwater line South 64 degrees 38 minutes 01 seconds West 353.05 feet to a point, thence, with the common line of Lot 8 and Lot 9 North 25 degrees 21 minutes 59 seconds West 633.88 feet to a point in the 60.00 feet Wide Northern right-of-way line of S.R. 1568; thence, with said right-of-way a chord as it curves North 47 degrees 49 minutes 22 seconds East 176.95 feet to a point of tangency and North 42 degrees 20 minutes 00 seconds East 150.19 feet to a concrete monument in the Hunter Heath Line; thence, with the common line of Lot 9 and Hunter Heath's line South 28 degrees 48 minutes 49 seconds East 455.22 feet to the point of beginning. The above described lot or tract is all of Lot No. 9 as shown on the before mentioned map.

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EXHIBIT "C"

St. Regis Resort

The Plans and Specifications of Building II of St. Regis Resort, as recorded in the office of the Onslow County Register of Deeds in Unit Ownership and Condominium Book 1, Page(s) 31-31gg, to which reference is had, said Plans and Specifications being incorporated herein by reference.

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ST. REGIS RESORT, A CONDOMINIUM

BUILDING II

Exhibit "D"

<u>UNIT NUMBER</u>	<u>FAIR MARKET VALUE</u>	<u>PERCENTAGE INTEREST IN COMMON AREA</u>
C2G1	\$ 55,500.00	.44
C2G2	52,500.00	.42
C2G3	93,000.00	.74
C271	180,000.00	1.42
C281	20,000.00	.16
2101	101,900.00	.81
2102	132,900.00	.05
2103	133,900.00	.06
2104	135,900.00	.08
2105	137,900.00	.09
2106	167,900.00	.33
2107	179,900.00	.42
2108	179,900.00	.42
2109	167,900.00	.33
2110	137,900.00	.09
2111	155,900.00	.08
2112	133,900.00	.06
2113	132,900.00	.05
2114	101,900.00	.81
2201	102,900.00	.81
2202	133,900.00	.06
2203	134,900.00	.07
2204	136,900.00	.08
2205	136,900.00	.10
2206	166,900.00	.34
2207	180,900.00	.43
2208	180,900.00	.43
2209	166,900.00	.34
2210	136,900.00	.10
2211	136,900.00	.08
2212	134,900.00	.07
2213	133,900.00	.06
2214	102,900.00	.81
2301	103,900.00	.82
2302	135,900.00	.08
2303	136,900.00	.08
2304	138,900.00	.10
2305	140,900.00	.12
2306	170,900.00	.35
2307	182,900.00	.45
2308	182,900.00	.45
2309	170,900.00	.35
2310	140,900.00	.12
2311	138,900.00	.10
2312	136,900.00	.08
2313	135,900.00	.08
2314	103,900.00	.82

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<u>UNIT NUMBER</u>	<u>FAIR MARKET VALUE</u>	<u>PERCENTAGE INTEREST IN COMMON AREA</u>
2401	106,900.00	.85
2402	137,900.00	.09
2403	138,900.00	.10
2404	140,900.00	.12
2405	142,900.00	.13
2406	172,900.00	.37
2407	184,900.00	.46
2408	184,900.00	.46
2409	172,900.00	.37
2410	142,900.00	.13
2411	140,900.00	.12
2412	138,900.00	.10
2413	137,900.00	.09
2414	106,900.00	.85
2501	108,900.00	.86
2502	139,900.00	.11
2503	140,900.00	.12
2504	142,900.00	.13
2505	144,900.00	.15
2506	174,900.00	.38
2507	186,900.00	.48
2508	186,900.00	.48
2509	174,900.00	.36
2510	144,900.00	.15
2511	142,900.00	.13
2512	140,900.00	.12
2513	139,900.00	.11
2514	108,900.00	.86
2601	110,900.00	.88
2602	141,900.00	.12
2603	142,900.00	.13
2604	144,900.00	.15
2605	146,900.00	.16
2606	176,900.00	.40
2607	188,900.00	.49
2608	188,900.00	.49
2609	176,900.00	.40
2610	146,900.00	.16
2611	144,900.00	.15
2612	142,900.00	.13
2613	141,900.00	.12
2614	110,900.00	.88
TOTAL	\$12,632,600.00	100.00

*For Certificate of Amendment refer to Bk 994 Pg 6069-11-90 mnt
" 1217 4 426 12 9-94*

Prepared by: LANIER & FOUNTAIN, ESQS.

EXHIBIT "E"

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BY-LAWS

OF

ST. REGIS OF ONSLOW COUNTY, N.C., OWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the association is ST. REGIS OF ONSLOW COUNTY, N.C., OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Association shall be located at 114 Old Bridge Street, Jacksonville, Onslow County, North Carolina, but meetings of members and directors may be held at such places, as may be designated by the Board of Directors of the Association.

ARTICLE II

DEFINITIONS

1. "Association" shall mean and refer to ST. REGIS OF ONSLOW COUNTY, N.C. OWNERS ASSOCIATION, INC., its successors and assigns.
2. "Common Areas" shall mean all real property owned as tenants in common by all the Unit owners and managed by the Association for the common use and enjoyment of said owners.
3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any unit which is a part of ST. REGIS CONDOMINIUM, including the Developer so long as any unit or units are still in its name, but excluding those having such interest merely as security for the performance of an obligation.
4. "Developer" shall mean and refer to those persons named in the initial Declaration of ST. REGIS Condominium Development as the declarants thereof and their heirs, successors and assigns for the purpose of further development of that property shown as the property of ST. REGIS RESORT.
5. "Declaration" shall mean and refer to the Declaration of ST. REGIS RESORT of record in the Office of the Register of Deeds of Onslow County, North Carolina.
6. "Member" shall mean and refer to those persons entitled to membership in the Association by virtue of ownership of one or more units in ST. REGIS CONDOMINIUM.

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7. "Unit" shall mean and refer to individual enclosed living spaces and accessory spaces and areas as defined in N.C.G.S. 47A-3(12), and the improvements situate thereon, excluding any land or improvements designated as Common Area. Unit shall also mean and refer to any commercial or non-residential unit as provided in the Declaration.

8. "Assessment" shall mean and refer to a Member's share of the common expenses assessed against each unit by the Association in the manner provided for in the Declaration and these By-Laws.

9. "Development" means the entire undertaking pursuant to the Declaration and these By-Laws which shall commence with the filing of the Declaration and continue thereafter until terminated as provided for therein.

ARTICLE III

MEMBERSHIP AND PROPERTY RIGHTS

1. Every owner of a unit which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from such ownership, with the ownership of each unit, whether owned jointly or singly, entitling the owner or owners thereof to one vote only in the Association per unit owned.

2. Each Member shall be entitled to the use and enjoyment of the Common Areas and facilities as provided in the Declaration; and any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property. Such Member shall notify, if requested, the Secretary of the Association in writing of the name of such delegates. The rights and privileges of such delegates are subject to suspension to the same extent as those of the Member.

ARTICLE IV

MEETING OF MEMBERS

1. Annual Meetings. The first annual meeting of the Members of the Association shall be held within One Hundred and Twenty (120) days from the day on which the management of the Common Areas of ST. REGIS RESORT CONDOMINIUM is turned over from the Developer to the Association as provided in the Declaration. Each subsequent regular annual meeting of the Members shall be held at such date and hour as is set by the Board of Directors.

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2. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association or by the Board of Directors or upon written request of the Members entitled to vote one-fourth (1/4) of all the votes of the Association.

3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before each meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. Waiver by a Member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

4. Quorum. The presence at the meeting of Members entitled to cast or of proxies entitled to cast, fifty per cent (50%) of the votes of the Association shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

5. Voting. At any meeting of the 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 ownership of Common Elements assigned to his Unit, as provided in the Declaration of Condominium. 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 Unit Owners, but it shall be necessary for all such Unit Owners present to act unanimously in order to cast the vote pertaining to their Unit.

If the condominium residential unit is owned by one (1) person, his right to vote shall be established by the record title to his unit. If the unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of

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the unit and filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote shall be designated by a certificate signed by the President or Vice President and attested by the Secretary of the corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote of a unit may be revoked by any owner of a unit. If such a certificate is not on file with the Secretary of the Association for a unit owned by more than one person or by a corporation, the vote of the unit concerned shall not be considered in determining the requirement of a quorum, or for any purposes requiring the approval of a person entitled to cast the vote for the unit, except if said unit is owned by a husband and wife. If either a condominium residential unit or a condominium commercial unit is jointly owned by husband and wife, the following provisions are applicable thereto:

- A. They may, but they shall not be required to, designate a voting member.
- B. If they do not designate a voting member, and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.
- C. Where they do not designate a voting member, and only one is present at a meeting, the person present may cast the unit vote, just as though he or she owned the unit individually and without establishing the concurrence of the absent person.

6. Proxies. At all meetings of the Members, each vote may be cast in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance of his Unit by the Member giving his proxy.

ARTICLE V

BOARD OF DIRECTORS

1. Number. The affairs of the Association shall be managed by the Board of not less than five (5) Directors, who need not be Members of the Association. The Association shall have the right to increase this number and to establish such terms of office as it may deem appropriate from time to time.

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2. Term of Office. At the first annual meeting the Members shall elect two (2) Directors for a term of one year; Three (3) Directors for a term of two years. Each Director shall hold office until his successor is elected and qualified or until his resignation or removal.

3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be elected by the remaining Members of the Board, and shall serve for the unexpired term of his predecessor.

4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director shall be reimbursed for his actual expenses incurred in the performance of his duties; provided, however, the Board may employ a Director to manage the business affairs of the Association, and pay the Director for his services as Manager.

5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

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 the 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 or Non-Members.

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2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the voting Members, or their proxies may cast one (1) vote for each vacancy. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETING OF DIRECTORS

1. Regular Meetings. Regular meetings of the Board of Directors shall be held semi-annually at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday; provided, however, that if the Board shall agree to meet on such legal holiday any action taken by it shall be valid and binding.

2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

3. Quorum. A majority of the number of the Directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. Powers. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational 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 of hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) 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 By-Laws, the Articles of Incorporation, or the Declaration;

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(d) 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;

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(f) Employ attorneys, accountants or other professional personnel to represent and assist the Association when deemed necessary.

2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate 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 entitled to vote;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) To fix the amount of assessment and the manner of payment thereof against each Unit in accordance with the terms of Declaration and to send written notice of any change thereto at least thirty (30) days in advance of such assessment payment period;

(d) Foreclose the lien against any property 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;

(e) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(f) Procure and maintain adequate liability insurance covering Members' liability for the Common Areas and facilities and to procure and maintain adequate hazard insurance on all the real property within the ST. REGIS RESORT condominium development, including individual units as well as that property owned jointly by the members;

(g) Appoint an insurance trustee in the collection and disbursement of hazard insurance proceeds, as provided for in the Declaration;

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(h) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(1) Maintain or cause to be maintained the Common Areas and facilities and the exterior of the units, in accordance with the terms of the Declaration.

ARTICLE IX

OFFICERS AND THEIR DUTIES

1. Enumeration of Officers. The Officers of this Association shall be a President and Vice President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such a period, have such authority, and perform such duties as the Board may, from time to time, determine.

5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time so specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion to each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE X

COMMITTEES

The Board of Directors shall appoint a Nominating Committee and such other committees as may be deemed appropriate in carrying out its purpose.

ARTICLE XI

BOOKS AND RECORDS

The Books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The

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Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association such sums as are assessed against the Members under the terms of said Declaration, which assessments are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be deemed delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of Twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, with costs of such action, including reasonable attorney's fees, to be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Unit.

ARTICLE XIII

AMENDMENTS

1. These By-Laws may be amended at the regular or special meeting of the Members by a vote of a majority of a quorum of Members present in person or by proxy.
2. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that first fiscal year shall begin on the date on which the Declaration and these By-Laws are filed for record in the Office of the Register of Deeds of Onslow County.

IN WITNESS WHEREOF, COVEST, INC., being as of the date hereof, the owner of all the property constituting a condominium development known as ST.

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REGIS RESORT, does hereby adopt the foregoing as the initial BY-LAWS OF ST.
REGIS OF ONSLOW COUNTY, N.C., OWNERS ASSOCIATION, INC., and has affixed its
hand and seal this 17th day of JUNE, 1985.



COVEST, INC.,
A North Carolina Corporation

By Bobby J. Dixon
President

ATTEST:

John H. Hall
Secretary (Corporate Seal)

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a Notary Public of said County and State, do hereby certify that
Bobby J. Dixon, personally came before me this day and
acknowledged that (s)he is Secretary of COVEST, INC., a North Carolina
corporation, and that by authority duly given and as the act of the corporation,
the foregoing instrument was signed in its name by its _____ President, sealed
with its corporate seal and attested by its _____ Secretary.

Witness my hand and seal, this 17th day of JUNE, 1985.

