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FOR REGISTRATION REGISTER OF DEEDS  
REBECCA P. SMITH  
NEW HANOVER COUNTY, NC  
2006 OCT 31 03:41:53 PM  
BK: 5099 PG: 1849-1873 FEE: \$83.00

INSTRUMENT # 2006060859

STATE OF NORTH CAROLINA

**DECLARATION OF  
ISLAND BREEZE TOWNHOMES**

COUNTY OF NEW HANOVER

THIS DECLARATION, made this 27<sup>th</sup> day of OCT., 2006, by ABRAHAM 'AVI LAHAM and wife, KELLY B. LAHAM, hereinafter referred to as "Declarant", (whether one or more);

**WITNESSETH**

WHEREAS, Declarant is the owner of certain property in Federal Point Township, New Hanover County, North Carolina, which is more particularly described as follows:

BEING all of Lots 1 and 2, ISLAND BREEZE TOWNHOMES according to the official plan as shown on a map recorded in the Registry of New Hanover County in Map Book 50 at Page 191.

NOW, THEREFORE, Declarant hereby submits the above described property (herein the "Townhome Property"), to ownership pursuant to North Carolina General Statutes and hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions, uses and obligations which are for the purpose of protecting the value and desirability of and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE I.**

**DEFINITIONS**

A. Act. The North Carolina Planned Community Act, Chapter 47F, North Carolina General Statutes. The provisions of said Act are incorporated herein except where the same may conflict with the provisions contained herein controlling.

B. Association. The ISLAND BREEZE UNIT OWNERS ASSOCIATION, INC., a North Carolina non-profit corporation, composed of the owners of townhome units in ISLAND BREEZE TOWNHOMES, as the same is recorded in Book 5099 Page 1849 et. seq. of the New Hanover County Registry.

C. Board. The Board of Managers of the Association.

D. By-Laws. By-Laws of the Association which are recorded in Book 5099 Page 1849 et. seq. of the New Hanover County Registry.

E. Common Elements. Shall be used interchangeably with "common areas" and shall mean or refer to all portions of a townhome except the units; and

F. Limited Common Elements. Shall be used interchangeably with limited

common areas and shall refer to all portions of the common elements which are designated for use with a particular unit.

G. Common Expenses. The expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

H. Declarant. Declarant or "Developer" shall mean and refer to ABRAHAM 'AVI LAHAM and wife, KELLY B. LAHAM, their successors and assigns.

I. Development. Shall mean and refer to the whole of the planned residential development to be known as ISLAND BREEZE TOWNHOMES, which shall consist of all the real property, which has been subdivided into lots shown on maps of ISLAND BREEZE TOWNHOMES, referred to hereinabove, the common elements, plus the improvements to the common elements, as described hereinabove.

J. Lot. Shall mean and refer to any of the numbered lots on each map of property within ISLAND BREEZE TOWNHOMES as is recorded in the New Hanover County Registry, with the exception of the common areas.

K. Owner. shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

L. Properties. Shall mean and refer to that certain real property hereinabove described, and such phases or additions thereto as may hereafter be brought within the jurisdiction of the Association by Declarant.

## ARTICLE II

There currently exists an Owner's Association, known as "ISLAND BREEZE UNIT OWNERS ASSOCIATION, INC." for the purpose of maintaining the common areas, drainage system, streets, and entrances to and in ISLAND BREEZE TOWNHOMES, all sections and phases. Every lot or townhome unit owner shall automatically become a member of the Association upon the acceptance and the recording of a Deed to any lot or townhouse unit.

(1) Membership and Voting Rights. The qualifications for membership in the Association, the manner of admission to membership in the Association, the manner of termination of such membership and the voting rights of the members of the Association shall be set forth in the Articles of Incorporation and By-Laws of the Association which are recorded in Book 5099, at Page 1849, in the Office of the Register of Deeds of New Hanover County, North Carolina, the provisions of said Articles being incorporated herein by reference.

(2) Assessments, Liability, Lien and Enforcement. The Association has heretofore been given the authority to administer the operation and management of the common areas and drainage system of the property, it being recognized that the delegation of such duties to one entity is in the best interest of the owners of all residential lots and townhouses in ISLAND BREEZE TOWNHOMES. To properly administer the operation and management of the common areas and drainage system, the Association will incur, for the mutual benefit of all the owners of residential lots and townhome units, costs and expenses sometimes herein referred to as "common expenses". To provide the funds necessary for such proper operation, management and capital improvement, the Association has heretofore been granted the right to make, levy and collect assessments against the members of the Association and their residential lots and townhouse units. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation of, the management of, and for capital improvements to the common areas and drainage

system, which for the purpose of these Articles shall be deemed to include, but not be limited to, the private streets and roads of ISLAND BREEZE TOWNHOMES, A TOWNHOUSE PROJECT and all other improvements, the following shall be operative and binding upon the owners of all residential lots and townhome units.

### ARTICLE III

**DESCRIPTION OF LOTS/UNITS.** The Declarant owns the real property which Declarant has divided into two (2) lots (herein "The Townhome Units" or "The Units"), to be used for residential purposes. A plat of survey by Sherwin D. Cribb showing the location of said lots is recorded in Map Book \_\_\_\_\_, at Page \_\_\_\_\_, of the New Hanover County Registry and is incorporated herein by reference.

The general common elements are shown on that Plat of Survey by Sherwin Cribb recorded in Map Book \_\_\_\_\_, Page \_\_\_\_\_. Each lot owner will receive with the conveyance of his unit an undivided interest in the general common elements.

### ARTICLE IV.

**USE RESTRICTIONS.** The use of the property shall be in accordance with the following provisions:

A. Each of the Units shall be residential or residential rental purposes only. No Unit may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred.

B. The Common Elements shall be used for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Townhome Units.

C. No use or practice shall be permitted on the Townhome Property which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or of the Common Elements which will increase the rate of insurance upon the Townhome Property or any part thereof. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. No single rooms may be rented.

D. Reasonable regulations concerning the use of the Townhome Property may be made and amended from time to time by ISLAND BREEZE UNIT OWNERS ASSOCIATION (herein referred to as the "Association") in the manner provided by its By-Laws. Copies of the By-Laws and regulations are recorded in Book \_\_\_\_\_, Page \_\_\_\_\_ et. seq. of the New Hanover County Registry.

E. Swimming Pool: The swimming pool located on the property is specifically excluded from the common area and is exclusively owned by the record title holder for Unit 2 and shall convey whenever Unit 2 is conveyed.

F. Elevators: Each unit shall be assigned the exclusive use of an elevator which shall be limited common area. Each unit owner shall be responsible for all costs and fees associated with the maintenance of their respective elevator.

### ARTICLE V.

**EASEMENTS.** Each of the unit owners shall have an easement in common with the other unit owner to use common elements. Each unit shall be subject to an

easement in favor of the owner of the other unit to use all common elements serving such other units and located in such unit. The Association shall have the right to be exercised by the Board of Managers or its Designee, to enter each unit from time to time, at reasonable hours as may be necessary for the operation of the property to inspect the same, to remove violations therefrom, and to maintain, repair or replace the common elements, if any, contained therein.

The Declarant hereby reserves and subjects the lands which are the subject to this Declaration to an easement of use and enjoyment by the owners and occupants of the respective townhome units for ingress and egress to and from all of the common elements pertaining to ISLAND BREEZE TOWNHOMES. Easements are also hereby created for installation, use, maintenance, repair and replacement of all necessary public utilities, including but not limited to sewer, water lines, gas, electricity, telephone and cable television for the use of the above described property known as ISLAND BREEZE TOWNHOMES.

**ADDITIONAL EASEMENTS.** (1) Easements for installation and maintenance of utilities and drainage facilities are reserved over all lots and easements for drainage and utilities are reserved as shown and designated on the plat of said property. No structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by ISLAND BREEZE UNIT OWNERS ASSOCIATION, except for those improvements for which a public authority or utility company is responsible.

All easements herein created and described shall be easements appurtenant to, and shall run with the land by whomsoever owned, whether or not the same shall be contained or referred to in any future deed or conveyance, and shall at all times inure to the benefit and be binding upon the undersigned, all its grantees and their respective heirs, successors, personal representatives or assigns.

**WAIVER OF ENCROACHMENTS.** Each unit owner for themselves, their heirs, successors and assigns hereby waive any action or cause of action for any encroachment of any portion of any unit on to the other unit or common area.

#### **ARTICLE VI.**

**ENFORCEMENT.** The Association or any Owner, shall have the right to enforce, by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

#### **ARTICLE VII.**

**NOTICE.** The name and address of the process agent to receive service of process in any matters affecting the property is as follows: Kelly B. Laham, 1122 Country Club Road, Wilmington, New Hanover County, North Carolina, 28403.

#### **ARTICLE VIII.**

**TAXES.** Each individual lot shall be deemed to be a separate parcel and shall be separately assessed and taxed for all types of taxes authorized by law, including but not limited to special ad valorem levies and special assessments. Each lot owner shall be liable solely for the amount of taxes against his individual lot and shall not be affected by the consequence resulting from the tax delinquency of any other lot owner. Taxes on the

common elements, if any, shall be the responsibility of the Association.

#### **ARTICLE IX.**

**ASSESSMENTS.** Assessments against unit owners by the Board of Managers made pursuant to the By-Laws shall, if not paid when due, create a lien in favor of the Association against the unit of the defaulting owner as provided in Chapter 47F of the North Carolina General Statutes, and shall be collected as provided therein and in the By-Laws hereto attached. It is expressly provided, however, that in consideration of the Declarant's prior construction of the amenities and improvements on the real estate which is to constitute the common area in this development, that the DECLARANT shall be exempt from and shall not have to pay assessments on any lots owned by it within this development and all future phases, if any.

#### **ARTICLE X.**

**INSURANCE.** Each unit owner shall maintain an insurance policy insuring their respective unit; said insurance shall cover fire/hazard, wind and hail and flood (if required per the flood maps). Each owner shall provide evidence of all insurance to the association and its members.

#### **ARTICLE XI.**

**LIENS.** All liens provided for herein shall be subordinate, and are hereby subordinated, to the lien of any first mortgage or deed of trust given to any lender to secure a loan, the proceeds of which are used to finance the purchase of any unit or units, unless any such lien provided for herein shall have been recorded in the Office of the Clerk of Superior Court of New Hanover County prior to recordation to the said first lien mortgage or deed of trust in the Office of the Register of Deeds of New Hanover County, North Carolina.

#### **ARTICLE XII.**

**BINDING EFFECT.** The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owner of any unit subject to this Declaration, their respective legal representatives, heirs, successors and assigns.

#### **ARTICLE XIII.**

**SUBDIVISION OF LOTS.** No lot may be subdivided, or its boundary lines changed except with the prior written consent of the DECLARANT. However, the DECLARANT hereby expressly reserves to itself, its successors and assigns, the right to replat any two (2) or more lots in order to create a modified building lot or lots, and to take such steps as are reasonably necessary to make such replatted lot suitable and fit as a building site, said steps to include but not be limited to, the relocation of easements, walkways, and right of ways to conform to the new boundaries of the replatted lots.

#### **ARTICLE XIV.**

**FUTURE DEVELOPMENT.** Declarant herein reserves the right to annex additional real property and incorporate said real property into into the Development.

#### **ARTICLE XV.**

**SUBSEQUENT INVALIDATION.** Invalidation of any one of these covenants by judgments or court order shall in no way effect any of the other covenants herein, which shall remain in full force and effect.

ARTICLE XVI.

**AMENDMENT.** This Declaration may be amended at any time prior to December 31, 2010 by the Declarant, at its discretion, but not to impair the property value of the lot owners. Thereafter, these restrictions may be amended by vote of the owners of all of the members of the Homeowners Association, provided, however, no amendment shall be made to the last sentence of Article IX without unanimous consent of the Homeowners Association and the declarant/developer.

IN WITNESS WHEREOF, Declarant has hereunto set their hands and seals, all the day and year first above written.

DECLARANT:

*Abraham 'Avi Laham* (SEAL)  
ABRAHAM 'AVI LAHAM

*Kelly B. Laham* (SEAL)  
KELLY B. LAHAM

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

I, *Patricia H. Barnes*, a Notary Public in and for the State and County aforesaid, hereby certify that ABRAHAM 'AVI LAHAM and KELLY B. LAHAM, being known to me or having provided *NC Driver License* as identification appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial stamp or seal, this the *27* day of *Oct*, 2006.

*Patricia H. Barnes*

Notary Public

My Commission Expires: *9/22/07*

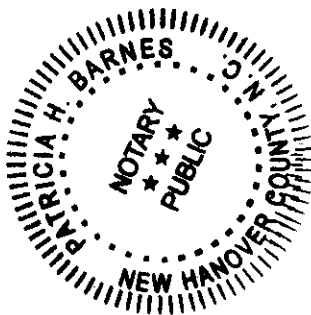
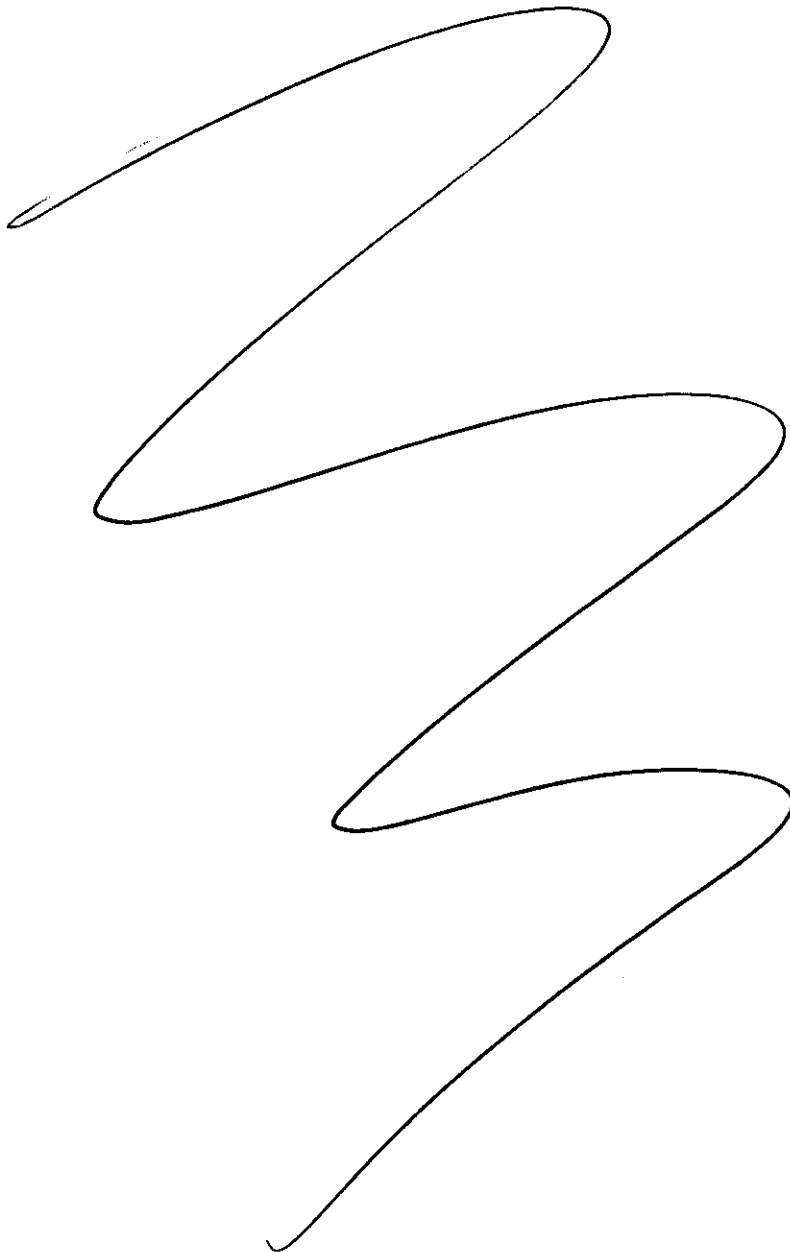


EXHIBIT A

SQUARE FOOTAGE PER TOWNHOME

LOT NO.	MAX. IMPERVIOUS AREAS (SF)
1-2	2,600 SF



**ARTICLES OF INCORPORATION  
OF  
ISLAND BREEZE UNIT OWNERS ASSOCIATION, INC.**

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

**ARTICLE I**

**NAME**

The name of the Corporation is ISLAND BREEZE UNIT OWNERS ASSOCIATION, INC., hereinafter called the "Corporation".

**ARTICLE II**

**REGISTERED OFFICE**

The principal and registered office of the Corporation is located at 1122 Country Club Road, Wilmington, New Hanover County, North Carolina, 28403.

**ARTICLE III**

**REGISTERED AGENT**

KELLY B. LAHAM, whose address is 1122 Country Club Road, Wilmington, New Hanover County, North Carolina, 28403.

**ARTICLE IV**

**NO PECUNIARY GAIN**

This Corporation does not contemplate pecuniary gain or profit to the members thereof, and no part of the Corporation's net income shall inure to the benefit of any of its officers, directors or members or any other private individual.

**ARTICLE V**

**PURPOSES**

The purposes for which the Corporation is organized are to engage in any lawful act or activity for which Corporations may be organized under Chapter 55A of the General Statutes of North Carolina.

**ARTICLE VI**

**POWERS AND PRIVILEGES**

The Corporation shall have all the powers and privileges granted to non-profit corporations under the law pursuant to which this Corporation is chartered.

**ARTICLE VII**

**DURATION**

The Corporation shall have perpetual existence.

**ARTICLE VIII**

**MEMBERS**

Until such time as the initial corporate meeting is held, the membership of the Corporation shall be comprised of the individuals named in **ARTICLE IX** hereof as the initial Board of Directors of the Corporation, and each such individual shall be entitled to cast one (1) vote on all matters on which the membership shall be entitled to vote.

**ARTICLE IX**

**BOARD OF DIRECTORS**

The number of members of the initial Board of Directors of the Corporation, also referred to as the Executive Board and/or Board of Governors, shall be one (1). The

number of members of succeeding Boards of Directors (Board of Governors) shall be as provided from time to time by the By-Laws. The members of the Board of Directors shall be elected by the members of the Corporation at the annual meeting of the membership as provided by the By-Laws.

The names and addresses of the initial Board of Directors, who, subject to the provisions of these Articles of Incorporation, the By-Laws, and the laws of the State of North Carolina, shall hold office until the first meeting of the membership or until their successors are elected and have qualified, are as follows:

<u>NAMES</u>	<u>ADDRESSES</u>
Kelly B. Laham	1122 Country Club Road Wilmington, NC 28403
Abraham 'Avi Laham	1122 Country Club Road Wilmington, NC 28403

## **ARTICLE X**

### **OFFICERS**

The Board of Directors shall elect a President, a Secretary, and a Treasurer and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Directors shall determine. The President shall be elected from among the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, that the offices of President and Vice President or President and Secretary or Assistant Secretary shall not be held by the same person.

## **ARTICLE XI**

### **CORPORATE AFFAIRS**

The affairs of the corporation shall be managed by the President of the Corporation assisted by the Vice Presidents, Secretary and Treasurer, and, if any, the Assistant Secretaries and Assistant Treasurers, subject to the direction of the Board of Directors.

## **ARTICLE XII**

### **BY-LAWS**

The original By-Laws of the Corporation shall be adopted by a majority vote of the initial Board of Directors, and thereafter such By-Laws may be altered or rescinded only in such manner as said By-Laws may provide.

## **ARTICLE XIII**

### **INDEMNIFICATION**

Every Director and every Officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Corporation, whether or not he is a Director or Officer at the time such expenses or liabilities are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board

of Directors approves such settlement and reimbursement as being in the best interest of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

**ARTICLE XIV**

**AMENDMENT TO ARTICLES**

Any amendment to these Articles of Incorporation shall require the assent of seventy-five percent (75%) of the membership.

**ARTICLE XV**

**DISSOLUTION OF CORPORATION**

Upon dissolution of the corporation, the assets of the corporation shall be used to pay all debts and liabilities of the corporation, any remaining funds shall be paid pro-rata to the corporate members.

**ARTICLE XVI**

**INCORPORATOR**

The name and address of the Incorporator is Kelly B. Laham 1122 Country Club Road, Wilmington, New Hanover County, North Carolina, 28403.

IN WITNESS WHEREOF, I, the undersigned Incorporator, have hereunto set my hand and seal, this 27 day of Oct, 2006.

INCORPORATOR

  
KELLY B LAHAM

**BY-LAWS**  
**OF**  
**ISLAND BREEZE UNIT OWNERS ASSOCIATION, INC.**  
**(A NON-PROFIT CORPORATION)**

**ARTICLE I**

**GENERAL**

**Section 1. TITLE TO LOTS.** Title to Lots may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

**Section 2. APPLICABILITY OF BY-LAWS.** The provisions of these By-Laws are applicable to ISLAND BREEZE TOWNHOMES, and its common elements and to the use and occupancy thereof. The term "ISLAND BREEZE TOWNHOMES" and its common elements as used herein shall include the land, the buildings and all other improvements thereon, all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith.

**Section 3. APPLICATION.** All present and future owners, mortgagees, lessees and occupants of Lots and their employees and any other persons who may use the facilities in any manner are subject to these By-Laws, the Declaration and Rules and Regulations pertaining to the use and operation of the Lots. The act of occupancy of a lot shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

**Section 4. OFFICE.** The Office of the Owner's Association and the Board of Directors shall be located at: 1122 Country Club Road, Wilmington, New Hanover County, North Carolina, 28403

**ARTICLE II**

**OWNERS' EASEMENTS OF ENJOYMENT**

**Section 1.** Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area;
- B. The right of the Association to limit the number of guests of members;

- C. The right of the Association to suspend the voting rights and right to use of the facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations;
- D. The right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area;

### ARTICLE III

#### BOARD OF DIRECTORS/MANAGERS

**Section 1. MANAGEMENT AND CONTROL.** Management of the affairs of the Association shall be the right and responsibility of its Board of Directors in accordance with the Declaration and By-Laws; PROVIDED, HOWEVER, that all of the powers and duties of the Board of Directors may be exercised by the Declarant until such time as 90% of the lots owned by Declarant have been sold and conveyed by the Declarant to purchasers or until December 31, 2010, whichever occurs first. Management and control may be transferred to the lot owners at any time, by the Declarant, at Declarant's discretion, but in all events, no later than 120 days after the happening of the earlier of the above events. There shall be no requirement on Association meetings until such time as control is transferred to the Association.

**Section 2. POWERS AND DUTIES.** The Board of Managers/ Directors shall have the powers and duties necessary for the administration of the affairs of the Lots and Common Elements except such powers and duties as by law or by these By-Laws may not be delegated to the Board of Managers/Directors by the unit owners. The powers and duties to be exercised by the Board of Managers/Directors shall include, but not be limited to, the following:

- A. Operation, care, upkeep and maintenance of the common elements and drainage system, to include roads;
- B. Determination of the amounts required for operation, maintenance and other affairs of the Lots and Common Elements;
- C. Collection of the common charges from the unit owners;
- D. Employment and dismissal of personnel as necessary for efficient maintenance and operation, including a property manager;
- E. Adoption and amendment of rules and regulations covering the details of the operation and use of the Lots and Common Elements;
- F. Opening of bank accounts on behalf of the Owners Association and designating the signatures required therefor;
- G. Obtaining insurance for the Lots and Common Elements pursuant to the provisions of Article VI, Section 9 hereof; and
- H. Making repairs, additions and improvements to, or alterations of, the property and repairs to and restoration of the property in accordance with the provisions of these By-Laws, after

damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

**Section 3. ELECTION AND TERM OF OFFICE.** Subject to the provisions of Section 1 herein, the Board of Managers/Directors shall be elected at the first annual meeting of the lot owners. At the first election, one board member shall be elected for a one year term, one board member will be elected for a two year term and the third board member shall be elected for a three year term with the result subsequent elections will replace one board member annually. At the expiration of the initial term of office of each respective member of the Board of Managers/Directors, his successor shall be elected to serve for a term of three (3) years. The members of the Board of Managers/Directors shall hold office until their respective successors shall have been elected by the unit owners. Upon Declarant transferring management and control to owners, the Board of Managers/Directors shall consist of up to three individuals, all of whom must be lot owners of record in ISLAND BREEZE TOWNHOMES.

**Section 4. VACANCIES.** Vacancies in the Board of Managers/Directors caused by any reason shall be filled by appointment by the remaining members of the Board of Directors/Managers. Each person so appointed shall be a member of the Board of Managers/Directors for the remainder of the term of the member so removed.

**Section 5. REGULAR MEETINGS.** Regular meetings of the Board of Managers/Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers/Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Managers/Directors shall be given to each member of the Board of Managers/Directors, by mail or telegraph, at least three (3) business days prior to the day named for such meeting.

**Section 6. SPECIAL MEETINGS.** Special meetings of the Board of Managers/Directors may be called by any Board member on three (3) business days' notice to each member of the Board of Managers/Directors given by mail or telegraph, which notice shall state the time, place and purpose of the meetings.

**Section 7. WAIVER OF NOTICE.** Any member of the Board of Managers/Directors may, at any time, waive notice of any meeting of the Board of Managers/Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers/Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers/Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 8. QUORUM OF BOARD OF MANAGERS/DIRECTORS.** At all meetings of the Board of Managers/Directors, at least a majority of members thereof must attend to constitute a quorum for the transaction of business and the votes of all of the members of the Board of Managers/Directors shall constitute the decision of the Board of Managers/Directors. If at any meeting of the Board of Managers/Directors there shall be less than a quorum present, the Board members present may conduct any business which might have been transacted at the meeting originally called and any action consented to by the absent manager in writing within ten (10) days of said meeting, shall be deemed valid.

**Section 9. COMPENSATION.** No member of the Board of Managers/Directors shall receive any compensation from the Association for acting as such.

**Section 10. DEADLOCK.** Any deadlock in voting shall be resolved by submitting the matter to arbitration in accordance with the Uniform Arbitration Act as set forth in the North Carolina General Statutes, Section 1-567.1 et seq.