

Brunswick County--Register of Deeds
Robert J. Robinson
Inst #10667 Book 1296 Page 299
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BYLAWS
OF

SUNSET OAKS GARDEN HOMES OWNER'S ASSOCIATION, INC.

The following Bylaws shall apply to the Garden Homes project known as SUNSET OAKS GARDEN HOMES, a/k/a SUNSET OAKS TOWNHOUSES (hereinafter called Townhouse Units), situated in the Town of Sunset Beach, County of Brunswick, State of North Carolina and created by the Declaration of Covenants, Conditions and Restrictions of Sunset Oaks Garden Homes, a/k/a Sunset Oaks Townhouses and recorded June 15, 1998, in Book 1228 at Page 1156, Brunswick County Registry.

ARTICLE I

MEMBERSHIP

Section 1. Qualification. All owners of Townhouse Units shall constitute the Membership Association (hereinafter called the "Association"). The owner of any Townhouse Unit, upon acquiring title thereto, shall automatically become a member of the Association and shall remain a member of the Association until such time as his ownership of such unit ceases for any reason, at which time his membership in the Association shall automatically cease.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal and registered office of the Association: 7290-03 Beach Drive SW, Ocean Isle Beach, NC, or such other suitable place convenient to the unit owners as may be designated by the Board of Directors.

Section 3. Annual and Special Meetings. Annual and special meetings of the Association shall be held at such place and time as may be determined by the Board of Directors.

Section 4. Quorum. No meeting of the Board shall be held unless and except a majority of the representatives of the unit owners shall be present. The term "majority of unit owners" herein means the owners of units to which are appurtenant more than 50% of the common interests as established by the Declaration, and any other specified percentage of the unit owners means the owners of units to which are appurtenant such percentage of the common interests.

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TOTAL 20.00
REC# 38 CK AMT 20.00
CASH
KAREN DALE
1996
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Section 5. Voting. A vote shall be counted on the basis of one (1) unit, one (1) vote. Votes may be cast in person or by proxy by the respective unit owners as shown in the record of ownership of the Association. An executor, administrator, guardian, or trustee may vote in person or by proxy at any meeting of the Association, whether or not the same shall have been transferred to his name in the Association's record of ownership, provided that he shall first present evidence satisfactory to the Board of Directors that he owns or controls such unit in such capacity. The vote for any unit owned of record by two or more persons may be exercised by any one of them present at any meeting in the absence of protest by the other or others, and in the case of protest, each co-tenant shall be entitled to only a share of such vote in proportion to his share of ownership in such unit. A vote shall not be allowed for a unit whose owners have not paid their assessments.

Section 6. Proxies and Pledges. The authority given by any unit owner to another person to represent him at meetings of the Association shall be in writing, signed by such owner, and filed with the Secretary, and unless limited by its terms, shall continue until revoked by writing filed with the Secretary or by the death or incapacity of such owner. Voting rights transferred or pledged by mortgage, deed of trust, or agreement of sale on any unit or interest therein, a true copy of which is filed with the Secretary or Managing Agent, shall be exercised only by the person designated in such instrument until the written release or other termination thereof is filed in like manner.

Section 7. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the unit owners present, whether or not a quorum be present, without notice other than the announcement of such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors. The number of Directors shall be three (3). One director shall represent the owner(s) of each Unit. If a corporation is a unit owner, any officer of such corporation shall be eligible to serve as director so long as he remains as an officer of such corporation. The directors shall serve without compensation, except that directors may be reimbursed for expenses incurred on behalf of the Association.

Section 2. Powers. The Board of Directors shall have all powers necessary for the administration of the affairs of the Association and may do all such acts and things therefore as are given by law, the Declaration, or these Bylaws.

Section 3. Meetings. Meetings of the Board shall be held at a time and place as shall be determined from time to time by the three (3) Directors.

Section 4. Quorum of Board. No meeting of the Board of Directors shall be held unless all three (3) Directors are present. Meetings by telephone connection shall be allowed.

ARTICLE III

ADMINISTRATION

Section 1. Officers. The Board of Directors of the Association shall not be required to elect or designate officers.

Section 2. Management. The property of the Sunset Oaks Garden Homes, a/k/a Sunset Oaks Townhouses and its business shall be managed, controlled, directed and administered by the Board of Directors of Sunset Oaks Garden Homes Owner's Association, Inc. The Board of Directors shall at all times manage and operate the property and have such powers and duties as may be necessary or proper therefore, including, without limitation, the following:

- (a) Supervision of its immediate management and operation;
- (b) Maintenance repair, replacement and restoration of the common areas and facilities, including the entrance way, drive and parking areas and any additions and alteration thereto, and payment for same;
- (c) Purchase, maintenance and replacement of any equipment, and provision of all water and utility services required for the common areas and facilities;
- (d) Provision at each unit of all water, sewer, electricity, and such other utility services and utilities as the Board shall deem necessary, either at the expense of such unit or as a common expense of such unit as determined by the Board;
- (e) Determination as to assessments and dues, if any, which shall be levied against the units subject to the terms and conditions of the Declaration, including provision for maintenance of entrance way, drive and parking areas;

(f) Employment, supervision and removal of such personnel as may be necessary for the maintenance, repair and replacement of the common areas and facilities;

(g) Collection of all installments of assessments levied and payment of all common expenses authorized by the Board;

(h) Purchase and maintenance in effect of all policies of hazard and liability insurance required by the Declaration, and such other insurance and bonds as may be required or authorized by the Declaration or the Board;

(i) Custody and control of all funds of the Association, maintenance of full and accurate books of account and records of such funds, and preparation of regular financial reports thereof;

(j) Notification of all persons having an interest in any unit according to the Association's records of ownership of delinquency exceeding thirty (30) days in the payment of any assessment or dues against such unit. Upon giving notice the assessment becomes a lien on the unit. Said lien shall survive foreclosures and bankruptcy;

(k) Contacting and/or retaining an attorney regarding collection and/or placing a lien on properties falling under Article III Section 2 (j) above. Said attorney's fees will be charged to the property owner whose dues and/or assessments are late; and

(l) Enforcement of the Bylaws, covenants and restrictions.

ARTICLE IV

OBLIGATIONS OF UNIT OWNERS

Section 1. Maintenance of Units. Every unit owner shall at his own expense, at all times, substantially repair, maintain, amend and keep his unit, including, without limitation, all internal installations therein such as water, electricity, telephone, sewer, sanitation, air conditioning, lights, and all other fixtures and accessories belonging to such unit; and the interior decorated or finished surfaces of all walls, floors and ceilings of such unit, with all necessary repairs and amendments whatsoever in good order and condition, except as otherwise provided by law or the Declaration, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work diligently, and in case of such failure after reasonable notice to perform, shall reimburse to the Association promptly on demand all expenses incurred by it in the Managing

Agent. Every unit owner and occupant shall reimburse the Association promptly on demand all expenses incurred by it in repairing or replacing any uninsured loss or damage to the common areas and facilities or any furniture, furnishings and equipment thereof caused by such owner or occupant, or any person under either of them and shall give prompt notice to the Managing Agent of any such loss or damage or other defect when discovered.

Section 2. Use of Townhouse Unit.

(a) The Townhouse Units shall be used only for residential purposes.

(b) All common areas and facilities shall be used only for their respective purposes as designated.

(c) No unit owner or occupant shall place, store or maintain on the walkways, grounds, or other common areas and facilities of similar nature, any furniture, packages or objects which obstruct transit through such common areas and facilities, except with the approval of the Board of Directors.

(d) Every unit owner and occupant shall at all times keep his unit in a strictly clean and sanitary condition, and observe and perform all laws, ordinances, rules and regulations, now or hereafter made by any governmental authority, or the Association for the time being applicable to the use of the Unit.

(e) No unit owner, or occupant, shall make, suffer any strip, waste, or unlawfully, improperly, or offensively, use his unit, or the common area and facilities, nor alter or remove any furniture, furnishings, equipment or other features of the common area and facilities.

(f) No unit owner, or occupant, shall erect or place any building or structure, including fences and walls, nor make any additions or alteration to any common areas or facilities, nor place or maintain thereon, any signs, posters, or billboards whatsoever, except in accordance with plans and specifications, including detailed plat plan, prepared by a licensed architect if so required by the Board and approved by the Board and majority of unit owners (or such larger percentage required by law of the Declaration), including all owners of units thereby directly affected.

(g) No unit owner shall decorate or landscape any entrance, hallway, planting area or patio appurtenant to his unit, except in accordance with standards established by the Board of Directors or specific plans approved in writing by the Board.

(h) All occupants shall avoid making noises, including but not limited to, using any musical instruments, radios, televisions and amplifiers in such manner as may disturb other occupants.

(i) No garments, rugs or other objects shall be hung from the windows or facades of the units or otherwise displayed in public view, except draperies, curtains and shades.

(j) No rugs or other objects shall be dusted or shaken from the windows of the units.

(k) No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common area or facility or outside of the unit, but may be placed outside in the facilities provided for such purposes.

(l) No livestock, poultry, rabbits or other animals whatsoever shall be allowed, or kept, or encouraged to stay in any part of the unit, except that dogs, cats and other household pets in reasonable number may be kept by the unit owners and occupants in their respective units, but shall not be kept, bred, or used therein for any commercial purpose nor allowed on any common areas and facilities, except in transit when carried or on leash, provided that any such pet causing a nuisance or unreasonable disturbance to any other unit occupant shall be permanently removed therefrom promptly upon notice given by the Board of Directors or Managing Agent. No dog houses or fences for dogs shall be built.

(m) No unit owner or occupant shall, without the written approval of the Board of Directors, install any wiring for electrical, or telephone installations, television antenna, machines, or air-conditioning units, or other equipment, or appurtenances whatsoever on the exterior of the Units or protruding through the walls, windows or roof thereof or in the common areas.

(n) Nothing shall be allowed, done, or kept in any unit, or the common areas and facilities, which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates, or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

(o) No boats may be kept or stored in the common areas. No campers, bicycles, motorcycles, motorbikes, commercial vehicles, four wheelers, junk cars or related types of personal property shall be permitted to be permanently kept or stored in the common areas.

(p) No clothes line or other clothes drying apparatus shall be allowed outside of the units. Nor shall any such line apparatus be allowed on the porches of units.

Section 3. House Rules. The Board of Directors, upon giving notice to all unit owners, may adopt, amend or repeal and supplement administrative rules and regulations governing details of the operations and use of the common areas and facilities, but not inconsistent with any provision of law, the Declaration or these Bylaws.

Section 4. Definitions. Definitions of words and/or phrases in the Covenants and Restrictions for Sunset Oaks Garden Homes also apply to these Bylaws.

ARTICLE V

AMENDMENT TO BYLAWS

These Bylaws may be amended at a regular, or special meeting, of the Association by a vote of a majority of the unit owners, or by Declarant upon submission of additional property and units.

SUNSET OAKS, LLC
A North Carolina Limited Liability Company
Harry L. Rickenbacher (SEAL)
Harry L. Rickenbacher

William Forrest Taylor Sr. (SEAL)
William Forrest Taylor, Sr.

William Forrest Taylor Jr. (SEAL)
William Forrest Taylor, Jr.

STATE OF NORTH CAROLINA

COUNTY OF BRUNSWICK

I, a Notary Public of the County and State aforesaid, hereby certify that Harry L. Rickenbacher, William Forrest Taylor, Sr. and William Forrest Taylor, Jr. personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 21st day of April, 1999.

(STAMP/SEAL)

Karen T. Dale
Notary Public

My Commission Expires:

4-17-02

KAREN T. DALE
NOTARY PUBLIC
Brunswick County, North Carolina

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of

Karen T. Dale

Notary(ies) Public is (are) Certified to be Correct.

This Instrument was filed for Registration on this 22 Day of April, 1999
in the Book and Page shown on the First Page hereof.

Robert Robinson h'n