

**BYLAWS OF
THE TOWNHOMES ON EASTWOOD BLUFF
PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE 1
GENERAL**

1. Name and Location. The name of the Association is **THE TOWNHOMES ON EASTWOOD BLUFF PROPERTY OWNERS ASSOCIATION, INC.** The principal office of the Association shall be located at 80-C Mill Pond Road, Brunswick County, Sunset Beach, North Carolina, or at such other place as may be subsequently designated by the Executive Board of the Association.

2. Applicability. The provisions of these Bylaws are binding on all owners of Units in The Townhomes on Eastwood Bluff (herein called "Development"), their tenants, guests, invitees, agents, employees, licensees, grantees, successors and assigns.

3. Definitions. The definitions of the terms used herein shall be the same as the definitions set forth in the Declaration of Covenants, Conditions and Restrictions for The Townhomes on Eastwood Bluff, as it may be amended from time to time, which declaration and any amendments thereto shall be recorded in the Brunswick County Registry (herein, the "Declaration").

**ARTICLE 2
MEMBERSHIP**

1. Members. Every owner of a Unit shall be a member of the Association and membership in the Association shall be limited to Unit Owners.

2. Voting. Initially, the Association shall have one class of voting membership, composed of all Unit Owners, including Declarant. The Bylaws may set forth additional classifications of membership from time to time.

Each member shall be entitled to vote in Association matters. Each Unit shall have one vote. When more than one Person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised by one Person or alternative persons as the Unit Owners among themselves determine. If more than one of the multiple owners are present at a meeting in person or by proxy, the vote allocated to their Unit may be cast only in accordance with the agreement of a majority in interest of the owners as evidenced by a written designation filed with the secretary of the Association. There is a majority agreement if any one of the multiple owners casts the vote allocated to his Unit without protest being made promptly to the Person presiding over the meeting by any of the other owners of the Unit.

ARTICLE 3
MEETINGS OF MEMBERSHIP

1. Place. All meetings of members shall be held at such place as may be designated in the notice of the meeting.

2. Annual Meeting. The annual meeting of the members of the Association shall be held in March of each year at a date and time to be fixed by the Executive Board.

3. Turnover Meeting. The first annual meeting of the members which is held after the Declarant Control Period ceases shall be the "Turnover Meeting". At the Turnover Meeting, the members shall elect the new members of the Executive Board and transact such other business as may properly come before the meeting.

4. Proviso. Notwithstanding any of the provisions herein, until the Declarant Control Period ends there shall be no annual or special meeting of the members of the Association, and, should a meeting be called, the proceedings shall have no effect unless approved by the Executive Board of the Association, except as provided by the North Carolina Planned Community Act. However, the Declarant may waive this proviso, in whole or in part, by consenting in writing to a meeting of the membership.

5. Special Meetings. Special meetings of the members may be called by the President of the Association, upon a vote of the majority of the Executive Board, or at the written request of the members entitled to vote one-third (1/3) of all of the votes of the Association. Business transacted at all special meetings shall be confined to the subjects stated in the notice of the meeting.

6. Notice of Meetings. Written notice of each annual and special meeting of the members shall be served upon or mailed to each member entitled to vote thereat, at such address as appears on the books of the Association, at least ten (10) days, but no more than fifty (50) days, before the meeting. The notice shall specify the place, day, time and purpose of the meeting. Waiver in writing of the notice required herein, signed by the member before, at, or after such meeting, shall be equivalent to the giving of such notice. Each member shall notify the Secretary of the Association of any address change, and the giving of notice shall be in all respects sufficient if sent to the address of the member which is then on file with the Secretary.

7. Membership List. At least ten (10) days before every election of directors, a complete list of members entitled to vote at the election, showing the Unit owned by the member and the residence address of each, shall be prepared by the Secretary. Such list shall be open to examination by any member throughout the ten (10) day period preceding the election, until the election is completed.

8. Voting Rights. The number of votes each member is entitled to cast at any meeting of the membership is set forth in Article 5 of the Articles of Incorporation. If more than one person or entity owns a Unit, all of the co-owners shall file a certificate with the Secretary naming the person authorized to cast the vote for the Unit. If no certificate is filed, all of the co-owners must designate, at the time of the meeting, the person authorized to cast such vote.

9. Proxies. At all meetings of the members, every member shall have the right

to vote in person or by proxy. All proxies shall be executed in writing by the member or by his duly authorized attorney-in-fact and shall be filed with the Secretary. A member may not revoke a proxy given pursuant to this Section 9 except by written notice of a revocation delivered to the person presiding over a meeting of the Association.

10. Quorum. At any meeting of the members, sixty (60%) of the members entitled to vote, present in person or by proxy, shall constitute a quorum of the membership for any action, except as otherwise provided in the Declaration of Covenants, Conditions and Restrictions for The Townhomes on Eastwood Bluff (hereinafter "Declaration"), the North Carolina Planned Community Act or these Bylaws. If, however, such quorum is not present or represented at any meeting, the members present and entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. If adjournment extends thirty (30) days past the originally scheduled meeting date, notice of the date on which the adjourned meeting is to be reconvened shall be given as herein provided. The quorum at any subsequent meeting as a result of adjournment shall be one-half (1/2) of the required quorum at the preceding meeting.

11. Voting Required to Transact Business. When a quorum is present at any meeting, a majority of the votes entitled to be cast by the members present or represented by proxy shall decide any question brought before the meeting unless the question is one upon which, by express provision of the Declaration, the Planned Community Act or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

12. Action Without a Meeting. Any action which is required or permitted to be taken at a meeting may be taken without a meeting if:

a. Consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject matter thereof and filed with the Secretary, whether done before or after the action so taken; or

b. Approved by written ballot sent to all members entitled to vote, provided, (i) the number of votes cast by written ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and (ii) the number of approvals cast equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the same total number of votes were cast.

13. Order of Business. The order of business at annual members' meetings and as far as practical at other members' meetings, will be:

- a. Roll call and certification of proxies;
- b. Proof of notice of meeting or waiver of notice;
- c. Reading of minutes of prior meeting;
- d. Officers' reports;
- e. Committee reports;
- f. Appointment by Chairman of Inspectors of Election;
- g. Election of directors;
- h. Unfinished business;
- i. New business;
- j. Adjournment.

ARTICLE 4
EXECUTIVE BOARD

1. Number. The affairs of the Association shall be managed by an Executive Board consisting of three (3) members who shall be appointed by the Declarant until the Turnover Meeting after the termination of the Declarant Control Period. None of the initial Executive Board or their successors need be members of the Association. After the Turnover Meeting, the Executive Board shall consist of five (5) members, all of whom shall be members of the Association.

2. Term. The term of office of a director shall be two (2) years. The first election of the Executive Board by the members shall provide for the election of three (3) directors for a two (2) year term and for the election of two (2) directors for a one (1) year term. Thereafter, all directors shall be elected for a two (2) year term, so that three (3) directors are elected one year and two (2) directors the next year.

3. Vacancy. Any vacancy occurring in the Executive Board by reason of transfer of ownership, death, resignation, retirement, disqualification, removal from office or other reason, may be filled by the remaining members of the Executive Board appointing a member to fill the vacancy. A director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

4. Removal. Any director may be removed from the Executive Board, with or without cause, by the Declarant during the Declarant Control Period and thereafter, by a majority of the members of the association present and voting at a meeting.

5. Organizational Meeting. The organizational meeting of a newly elected Executive Board of the Association shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

6. Disqualification and Resignation of Directors. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the Directors elected at the first meeting of the membership, the transfer of title of all of the Units owned by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Executive Board. No member shall continue to serve on the Executive Board should he be more than thirty (30) days delinquent in the payment of an assessment, and said delinquency is confirmed by the Executive Board.

7. First Executive Board. The first Executive Board shall consist of those persons appointed by the Declarant. The first Executive Board, or their replacements as determined by the Declarant during the Declarant Control Period, shall serve until the Turnover Meeting.

8. Compensation. No Director shall receive compensation for any service he may render to the Association in his capacity as a director. However, a Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

9. Powers. The Executive Board may exercise all corporate powers not

specifically prohibited by statute, the Articles of Incorporation or the Declaration to which these Bylaws are attached. The powers and duties of the Executive Board shall specifically include, but not be limited to, the following:

a. To determine, levy, make and collect assessments and establish the time within which payment of such assessments are due, as provided in the Declaration;

b. To use and expend the assessments collected to maintain, repair, replace, modify, care for, manage and preserve the Common Elements, except those portions thereof which are required to be maintained, cared for and preserved by the Unit Owners;

c. To procure, maintain and pay premiums on, insurance policy(s) and equitably assess the members as part of the Common Expenses;

d. To contract for and discharge management of the Development and to delegate to such manager, employee or contractor all powers and duties of the Association except those specifically required by the Declaration to have specific approval of the Executive Board or the membership of the Association;

e. To employ, compensate and discharge such personnel as may be required for the maintenance and preservation of the property, including but not limited to attorneys, accountants, contractors and architects;

f. To make and amend rules and regulations governing the use of the Common Elements and the conduct of the Unit Owners, their tenants and guests;

g. To acquire, rent or lease a Unit in the name of the Association or its designee;

h. To designate, as the Executive Board deems appropriate, assigned parking spaces for each Unit, visitors, service vehicles, and other vehicles;

i. Acquire, hold, encumber, and convey in its own name any right, title or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to applicable law;

j. To impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements other than for service provided to members;

k. To purchase equipment, supplies and materials required in the maintenance, repair, replacement, operation and management of the Association property;

l. To pay bills for utilities serving the Association property;

m. To foreclose any unpaid assessments and liens resulting therefrom against any property for which assessments are not paid or to bring an action at law against the member personally obligated to pay the same, as provided in the Declaration;

n. To exercise all authority with respect to architectural review and

control, including but not limited to the authority to approve plans and specifications for all structures on and improvements to Units and Common Elements, to impose and collect architectural review fees, to approve landscaping plans, to enforce design guidelines applicable to the Units and Common Elements, and to enact additional guidelines for all improvements;

o. To exercise all authority in connection with Unit use restrictions, including but not limited to the authority to enforce use restrictions applicable to the Units, to enact rules and regulations relating to Unit use and Unit Owners and guests, and to establish and collect fines for breaches of such restrictions, rules and regulations, as provided in the Declaration;

p. To delegate to any person or entity any powers not prohibited by law to be delegated;

q. Institute, defend, or intervene in litigation or administrative proceedings on matters affecting the planned community;

r. To have a corporate seal, which may be altered at will, and to use it, or a facsimile of it, by impressing or affixing it or in any other manner reproducing it;

s. To keep detailed, accurate records of the receipts and expenditures of the Association; furnishing annual reports and current budgets;

t. To sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or any part of its property;

u. To purchase, receive, subscribe for, or otherwise acquire; own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of; and deal in and with shares or other interests in, or obligations of, any other entity;

v. To make contracts and guarantees, incur liabilities, borrow money, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, franchises, or income;

w. To lend money, invest and reinvest its funds, and receive and hold real and personal property as security for repayment, provided, however, no money may be lent without approval of a majority of the members present and voting in person or by proxy at a meeting;

x. To be a promoter, partner, member, associate or manager of any partnership, joint venture, trust, or other entity with the approval of a majority of the members of the association present and voting in person or by proxy at a meeting; and

y. To make donations for the public welfare or for charitable, religious, cultural, scientific, or educational purposes, and to make payments or donations not inconsistent with law for other purposes that further the corporate interest;

z. To enforce, on behalf of the Association, the obligations and assessments provided in the Declaration, including but not limited to, the institution of civil actions to enforce payment of the assessments as provided in the Declaration; the institution of actions to foreclose liens for such assessments in accordance with the terms of N.C.G.S. §47F-3-116; the

imposition of charges for late payment of assessments in accordance with N.C.G.S. §47F-3-102(11); and after notice and an opportunity to be heard, the suspension of privileges or services provided by the Association (except rights of access to lots) and/or the levying of reasonable fines not to exceed \$100 for violations of the Declaration, Bylaws, or rules and regulations of the Association.

aa. To exercise all other powers that may be exercised in pursuant to the Declaration, the Planned Community Act, or the laws of the State of North Carolina.

11. Duties of the Executive Board. The Executive Board shall have all the power, duties and authority as provided in the Declaration and in the Planned Community Act.

ARTICLE 5

MEETINGS OF DIRECTORS

1. Meetings. Meetings of the Executive Board shall be held at such place and hour as may be fixed from time to time by resolution of the Executive Board, after not less than three (3) days' notice to each director.

2. Special Meetings. Special meetings of the Executive Board 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. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present shall be the acts of the Executive Board. If at any meeting of the Executive Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

4. Waiver of Notice. Before or at any meeting of the Executive Board, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Executive Board shall be a waiver of notice by him of the time and place thereof, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If a meeting of directors otherwise valid is held without proper call or notice, action taken at such a meeting is deemed ratified by a director who did not attend unless promptly, after having knowledge of the action taken and of the impropriety in question, he files with the Secretary of the Association his written objection to the holding of the meeting or to any specific action so taken.

5. Action Without a Meeting. Any action taken by a majority of directors without a meeting is nevertheless effective if written consent to the action is obtained from all the directors and filed with the minutes of the proceedings of the Executive Board, whether done before or after the action so taken.

6. Attendance by Telephone. Any director may participate in a meeting of the Executive Board, by means of a conference telephone or similar communications device which allows all persons participating in the meeting to hear each other. Such participation by a director in

a meeting shall be deemed presence in person by the director at such meeting.

ARTICLE 6

OFFICERS AND THEIR DUTIES

1. **Officers.** The officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected annually by the Executive Board. Any two offices may be held by the same person, except the offices of the President and Secretary. The President and Vice President must be members of the Executive Board. All other officers need not be members of the Executive Board or of the Association.

2. **Special Officers.** The Executive Board may from time to time elect such other officers as the affairs of the Association require, including an Assistant Treasurer and Assistant Secretary, each of whom shall hold office for such period, have such authority, and perform such duties as the Executive Board may prescribe.

3. **Term.** The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected by the Executive Board may be removed at any time with or without cause by the Executive Board. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Executive Board. No compensation will be paid to the officers of the Association.

4. **Removal or Resignation.** Any officer may be removed from office with or without cause, at any time, by action of the Executive Board. Any officer may resign at any time by giving written notice to the Executive Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of the notice, unless a later time is specified therein. The acceptance of the resignation shall not be required to make it effective.

5. **Compensation.** No compensation shall be paid to the officers of the Association. The Executive Board may authorize the payment of the expenses incurred by the officers acting in their official capacity.

6. **Vacancy.** A vacancy in any office may be filled by the Executive Board. An officer appointed to fill a vacancy shall serve for the unexpired term of the officer s/he replaces.

7. **Duties.** The duties of the officers are as follows:

a. **President.** The President shall be the chief executive officer of the Association and shall preside at all meetings of the members. He shall have executive powers and general supervision over the affairs of the Association and other officers and shall be an ex-officio member of all committees. He may sign all written contracts, and shall prepare, execute, certify and record or cause to be prepared, executed, certified and recorded amendments to the Declaration on behalf of the Association and perform all duties incident to his office which may be delegated to him from time to time by the Executive Board.

b. **Vice-President.** 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 prescribed by the Executive Board.

c. Secretary. The Secretary shall record the notes and keep the minutes of all meetings of the members and of the Executive Board in one or more books provided for that purpose; shall see that all notices are fully given in accordance with the provisions of these Bylaws or as required by law; shall be custodian of the Association's records and of the seal of the Association and shall see that the seal of the Association is affixed to all documents requiring said seal; shall keep the records of the Association, except those of the Treasurer, and in general, shall perform all duties as from time to time may be assigned to him by the President, including certifying amendments to the Declaration, or assigned to him by the Executive Board.

d. Treasurer. The Treasurer shall receive and deposit all monies and other property of the Association in such depositories as may be designated by the Executive Board; shall keep proper books of account; shall disburse the funds of the Association as ordered by the Executive Board, taking proper vouchers for such disbursements, and shall render to the President and Executive Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association, which records shall be open to inspection by members at reasonable times; shall prepare an annual budget and a statement of income and expenditures to be presented to the members at their regular Turnover Meeting; shall with the approval of the Executive Board, be authorized to delegate all or part of his responsibilities to competent accounting, collection or management personnel, but in such event, the Treasurer shall retain supervisory responsibilities, and, in general, shall perform all duties incident to the office of Treasurer and assigned to him by the President or the Executive Board.

ARTICLE 7 COMMITTEES

The Executive Board shall appoint a Nominating Committee and such other committees as they may from time to time deem appropriate.

ARTICLE 8 FINANCES

1. Contracts. The Executive Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

2. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Executive Board. Such authority may be general or confined to a specific instance.

3. Checks and Drafts. All checks, drafts or other orders for the payment of money issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Executive Board.

4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Executive Board may select.

ARTICLE 9
RECORDS

1. **Receipts and Expenditures.** The Executive Board or the manager shall keep detailed accurate records in chronological order of the receipts and expenditures affecting the Common Elements and any other expenses incurred. Both said book and the vouchers accrediting the entries thereupon shall be available for examination by all Unit Owners, their duly authorized agents and attorneys, at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good and accepted accounting practices.

2. **Other Records.** The Executive Board or the manager shall keep correct and complete books of records of account, minutes of the proceedings, and a record of the names and addresses of the members entitled to vote, which latter records must be kept at the Association's principal office. Any member, his agent or attorney may examine these books and records for any proper purpose at any reasonable time.

3. **Inspection of Records.** The Association shall make available to Unit Owners, lenders, holders, insurers or guarantors of any first mortgage, current copies of the Declaration, Articles of Incorporation, Bylaws or other rules concerning the Development and the books, records and financial statements of the Association. Available means available for inspection upon request during normal business hours and under reasonable circumstances.

ARTICLE 10
RULES AND REGULATIONS

The Executive Board shall have the right to enact administrative Rules and Regulations governing the use of the Units and Common Elements and the conduct of persons within the Townhomes on Eastwood Bluff and upon the Property.

ARTICLE 11
INDEMNIFICATION

1. **Indemnification.** To the fullest extent and upon the terms and conditions from time to time provided by law, the Association shall indemnify any and all of its officers, directors, employees and agents, or any person who has served or is serving in such capacity at the request of the Association in any other Association, partnership, joint venture, trust or other enterprise, against liability and reasonable litigation expenses, including attorneys' fees incurred by him in connection with any action, suit or proceeding in which he is made or threatened to be made a party by reason of being or having been such director, officer, employee or agent (excluding, however, liability or litigation expenses which any of the foregoing may incur in relation to matters as to which he shall be adjudged in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of his duty). Such directors, officers, employees and agents shall be entitled to recover from the Association, and the Association shall pay, all reasonable costs, expenses and attorneys' fees in connection with the enforcement of rights of indemnification granted herein. Any person who at any time after the adoption of this bylaw serves or has served in any of the aforesaid capacities for or on behalf of the Association shall be deemed to be doing or to have done so in reliance upon and as consideration for the right of indemnification provided herein. Such right shall inure to the benefit of the legal

representatives of any such person and shall not be exclusive of any right to which such person may be entitled apart from the provisions of this bylaw.

The Executive Board of the Association shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by this Bylaw, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and giving notice to, and obtaining approval by, the members of the Association.

Expenses incurred by a director, officer, employee or agent in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall be ultimately determined that he is entitled to be indemnified by the Association against such expenses.

The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another Association, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

Any person who at any time after the adoption of this Article 11 serves or has served in any of the aforesaid capacities for or on behalf of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

2. Fidelity Bond. The Association shall provide blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. A management agent that handles funds for the Association should also be covered by its own fidelity bond. Except for fidelity bonds that a management agent obtains for its personnel, all other such bonds shall name the Association as an obligee and their premiums shall be a common expense and paid by the Association. The fidelity bond shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force. The fidelity bond coverage must at least equal the sum of the annual assessment on all Units in the Development, plus the Association's reserve funds. The bonds must include a provision that calls for ten (10) days' written notice to the Association, or any insurance trustee, before the bond can be canceled or substantially modified for any reason.

ARTICLE 12

PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of all Association Meetings, not in conflict with the Declaration, Articles of Incorporation and these Bylaws.

ARTICLE 13
GENERAL PROVISIONS

1. Amendment. These Bylaws may be altered, amended or rescinded by the Executive Board prior to the Turnover Meeting of the members, thereafter these Bylaws may be amended at a duly called meeting of the members, following an affirmative vote on the amendment by a majority of the Executive Board. The notice of the members' meeting shall contain a full statement of the proposed amendment. Amendments made after the Turnover Meeting must be approved by an affirmative vote of a majority of the votes of all Association members entitled to vote. Directors and members not present in person at the meeting considering a proposed amendment may cast their votes for such proposal in writing, provided such votes are delivered to the Secretary of the Association at or prior to the meeting.

2. Association Seal. A seal with the words "The Townhomes on Eastwood Bluff Property Owners Association, Inc.," on the outer circle shall be the common corporate seal of the Association and shall be in the custody of the Secretary.

The foregoing were adopted as the Bylaws of The Townhomes on Eastwood Bluff Property Owners Association, Inc., a non-profit corporation under the laws of the State of North Carolina, by the Executive Board, effective July 31, 2007.

Certified to be correct, this the 31 day of July, 2007.

Kay M Smith
Secretary

**ARTICLES OF INCORPORATION
OF
THE TOWNHOMES ON EASTWOOD BLUFF
PROPERTY OWNERS ASSOCIATION, INC.**

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned being of the age of eighteen years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a corporation not for profit and does hereby certify:

**ARTICLE 1
NAME**

The name of the corporation is **THE TOWNHOMES ON EASTWOOD BLUFF PROPERTY OWNERS ASSOCIATION, INC.**, hereinafter called the Corporation.

**ARTICLE 2
DURATION**

The period of duration of the Corporation shall be perpetual.

**ARTICLE 3
REGISTERED OFFICE AND AGENT, PRINCIPAL OFFICE**

The initial registered office of the Corporation and the principal office of the Corporation are located at 80-C Mill Pond Road, Brunswick County, Sunset Beach, North Carolina 28468. The mailing address of the registered office and also the principal office is 80-C Mill Pond Road, Sunset Beach, North Carolina 28468. The name of the initial registered agent of the Corporation at such address is Wade Coleman.

**ARTICLE 4
PURPOSES AND POWERS**

This Corporation does not contemplate pecuniary gain or profit to the members thereof. No part of the net income of the Corporation shall inure to the benefit of any officer, director or member of the Corporation. The specific purposes for which it is formed are as follows:

1. To provide for the maintenance, management and preservation of that certain development known as The Townhomes on Eastwood Bluff (hereafter the "Development")

as shown and described in the Declaration of Covenants, Conditions and Restrictions for the Townhomes on Eastwood Bluff (herein, "Declaration") recorded or to be recorded in the Brunswick County Registry, as amended from time to time, and any additions thereto which may be brought within the jurisdiction of the Corporation; and

2. to promote the health, safety and welfare of the owners of Units in the Development; and

3. to manage, maintain, operate, care for and administer the affairs of The Townhomes On Eastwood Bluff (the "Development") as described in the Declaration; and

4. to enforce the covenants, restrictions, easements, charges and liens provided in the Declaration to be enforced by the Association; and

5. to fix, levy, assess, collect, enforce and disburse the charges and assessments created under the Declaration, all in the manner set forth in and subject to the provisions of the Declaration; and

6. to exercise all powers and privileges and to perform all duties and obligations of the Association under the Declaration; and

7. to exercise all powers provided in Chapter 47F of the General Statutes of North Carolina, The North Carolina Planned Community Act.

ARTICLE 5 MEMBERSHIP

The Corporation shall have members as provided in the Declaration. Every person or entity who is or becomes a record Owner of title to any property subject to the Declaration, including contract sellers, shall automatically become a member of the Corporation, except for persons or entities which hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any property which is subject to the Declaration. No Unit Owner, whether one or more persons, will have more than one membership per Unit owned, but all of the persons owning each Unit will be entitled to rights of membership and use and enjoyment appurtenant to such ownership.

ARTICLE 6 DISSOLUTION

The Corporation may be dissolved with the assent given in writing and signed by not less than eighty percent (80%) of the members of each class. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation may be dedicated to an appropriate public agency to be used for purposes similar to those for which this Corporation was created, or such assets may be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes, or after

all of its liabilities and obligations have been discharged or adequate provisions made therefor, may be distributed as provided for by the Non-Profit Corporation Act of the State of North Carolina.

ARTICLE 7
AMENDMENT

Amendment of the Articles of Incorporation requires the approval of at least two-thirds (2/3) vote of Members.

ARTICLE 8
EXECUTIVE BOARD

The business of the Corporation shall be regulated by an Executive Board which shall act as the board of directors and which shall be elected in the manner and for the terms provided in the Bylaws. The number of directors constituting the initial Executive Board shall be three (3); and the names and addresses of the persons who are to serve as the initial directors are:

	<u>Name</u>	<u>Address</u>
1.	Brandon Crocker	80-C Mill Pond Road Sunset Beach, NC 28468
2.	Ava Cain	80-C Mill Pond Road Sunset Beach, NC 28468
3.	Kay Smith	80-C Mill Pond Road Sunset Beach, NC 28468

ARTICLE 9
TAX STATUS

Notwithstanding any other provision of these Articles, this Corporation hereby elects tax-exempt status under Section 528 of the Internal Revenue Code of 1986 or any corresponding sections or provisions of any future United States Internal Revenue Law (the "Code"). This Corporation shall not carry on any activities prohibited by a corporation electing tax-exempt status under Section 528. It is further provided that no distributions of income of the Corporation are to be made to members, directors or officers of the Corporation, except that members of the Corporation may receive a rebate of any excess dues and assessments previously paid to the extent permitted by the Code and applicable law.

ARTICLE 10
INCORPORATOR

The name and address of the incorporator of this Corporation is:

Faison G. Sutton
16 North Fifth St.
Wilmington, NC 28401

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of North Carolina, I, the undersigned, being the incorporator of this Corporation, have executed these Articles of Incorporation this the 1st day of March, 2006.

Faison G. Sutton (SEAL)
Faison G. Sutton, Incorporator