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FOR REGISTRATION REGISTER OF DEEDS
REBECCA J. CHRISTIAN
NEW HANOVER COUNTY, NC
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INSTRUMENT # 2004060127

RETURN TO

LINDA KIMBRELL
343-8602

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

**DECLARATION OF
BAYSHORE CROSSING TOWNHOMES**

THIS DECLARATION, made this _____ day of _____, 2004, by Golden Road Group, L.L.C., a North Carolina corporation hereinafter referred to as "Declarant", (whether one or more);

WITNESSETH

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

BEING all of Lots 1 through 58, BAYSHORE CROSSING TOWNHOMES according to the official plan as shown on a map recorded in the Registry of New Hanover County in Map Book 47 at Pages 39-41.

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 BAYSHORE CROSSING TOWNHOME OWNERS ASSOCIATION, INC., a North Carolina non-profit corporation, composed of the owners of townhome units in BAYSHORE CROSSING TOWNHOMES, as the same is recorded in Book _____, Page _____ 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 _____, Page _____ 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.

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 Golden Road Group, L.L.C., a North Carolina limited liability company, its successors and assigns.

I. Development. Shall mean and refer to the whole of the planned residential development to be known as BAYSHORE CROSSING TOWNHOMES, which shall consist of all the real property, which has been subdivided into lots shown on maps of BAYSHORE CROSSING 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 BAYSHORE CROSSING 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 "BAYSHORE CROSSING TOWNHOME OWNERS ASSOCIATION, INC. " for the purpose of maintaining the common areas, drainage system, streets, and entrances to and in BAYSHORE CROSSING 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 _____, at Page _____, 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 BAYSHORE CROSSING 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, all other improvements, the following shall be operative and binding upon the owners of all residential lots and townhome units. Excepting that the Association shall maintain the streets and roadways until such time as the North Carolina Department of Transportation accepts said streets and roadways into its maintenance system.

ARTICLE III

DESCRIPTION OF LOTS/UNITS. The Declarant owns the real property which Declarant has divided into fifty-eight (58) lots (herein "The Townhome Units" or "The Units"), to be used for residential purposes. A plat of survey by Hanover Designs 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 Hanover Designs recorded in Plat 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 occupied only by a family and for no other purposes. 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 BAYSHORE CROSSING TOWNHOME 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.

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 BAYSHORE CROSSING 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 BAYSHORE CROSSING 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 BAYSHORE CROSSING TOWNHOME HOMEOWNERS 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.

The Association shall maintain the forty (40') foot public right of way access for ingress and egress as shown in Map Book _____ Page _____. In addition to maintaining the aforementioned easement the Association shall maintain all streets and roadways located in BAYSHORE CROSSING TOWNHOMES until such time as the Association petitions the State of North Carolina or other governmental authority, and the State of North Carolina or other governmental authority accepts responsibility for the maintenance of the streets and roadways of BAYSHORE CROSSING TOWNHOMES.

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. Invalidity 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: The Golden Road Group, L.L.C., P. O. Box 777, Carolina Beach, NC 28428.

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.

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 XI.

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 XII.

STORMWATER MANAGEMENT

The following covenants are intended to ensure ongoing compliance with the State Management Permit Number SW8 020834 as issued by the Division of Water Quality under NCAC 2H.1000. The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the stormwater management permit.

The following covenants are to run with the land and be binding on all persons and parties claiming under them and may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.

a. The allowable built-upon area per lot shall be limited to the square footage described on Exhibit A attached hereto and incorporated. This allotted amount includes any built-upon area constructed within the lot boundaries and that portion of the right of way between the front lot line and the edge of the pavement. Built upon area includes, but is not limited to, structures, pavement, asphalt, concrete, gravel, brick, stone, slate and coquino, walkways, or patios of brick, stone, or slate, but does not include raised, open wood decking or the water surface of swimming pools.

b. Filling in or piping of any vegetative conveyances (ditches, swales, etc.) associated with the development except for average driveway crossings, is strictly prohibited by any persons. Driveways must be piped in such a manner so as to not impede flow.

c. Any and all covenants pertaining to stormwater regulations may not be changed or deleted without concurrence of the Division of Water Quality;

d. Each lot will maintain a 30' wide vegetated buffer between all impervious areas and surface waters.

e. All roof drains shall terminate at least 30' from the mean high water mark.

f. Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the State.

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. At no time may Lots 59 or 60 be subdivided.

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, 2014 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, Declarants have hereunto set their hands and seals, all the day and year first above written.

DECLARANT
THE GOLDEN ROAD GROUP, L.L.C.

By: [Signature]
The ThomCo Group, Inc.

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Susan P. Price, a Notary Public, do hereby certify that DICK J. THOMPSON personally appeared before me this day and acknowledged that he is President of The ThomCo Group, Inc. which is Member/Manager of THE GOLDEN ROAD GROUP, L.L.C., a North Carolina Limited Liability Company and as the act of The Golden Road Group, L.L.C., he signed the foregoing instrument in its name on its behalf as its act and deed.

Witness my hand or official seal, this the 9th day of NOV-, 2004.

Susan P. Price
Notary Public

My Commission Expires: 12-02-06

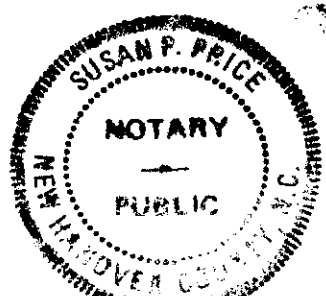


EXHIBIT A

MAXIMUM IMPERVIOUS SURFACE COVERAGE PER LOT

LOT NO.	MAX. IMPERVIOUS AREAS (SF)
1-58	2,000

EXHIBIT

BY-LAWS
OF
BAYSHORE CROSSING TOWNHOME 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 BAYSHORE CROSSING TOWNHOMES, and its common elements and to the use and occupancy thereof. The term "BAYSHORE CROSSING 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: Golden Road Group, L.L.C., 1118 Merchant Lane, Carolina Beach, NC 28428.

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 dedicate or transfer all or part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. Except for the grant or conveyance of a standard utility easement in order to obtain utility service to the lots and common area, no such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of members agreeing to such dedication or transfer has been recorded, provided, however, that the Association has the authority to dedicate the streets to the public. With respect to a standard utility easement permitting utility service to the lots and common area, the Board of Directors may authorize the officers to execute such a grant or conveyance of the standard utility easements to the utility company without a vote of the membership of the association;
- E. 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, 2014, 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, the term of office of the members of the Board of Managers/Directors shall be fixed at three (3) years. 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 seven individuals, all of whom must be lot owners of record in BAYSHORE CROSSING.

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.

ARTICLE IV

MEETINGS OF UNIT OWNERS

Section 1. PLACE. All meetings of the unit owners shall be held at the office of the Association or such other place as may be stated in the notice.

Section 2. ANNUAL MEETINGS.

a. The annual meeting of the unit owners shall be held at a site designated in New Hanover County, North Carolina, in each year commencing within the year that the Association has assumed control of the Association as hereinabove provided.

b. All annual meetings shall be held at such hour as is determined by the Board of Managers/Directors.

c. At the annual meeting, the members shall elect the new members of the Board of Managers/Directors and transact such other business as may properly come before the meeting.

Section 3. SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Managers/Directors or upon a petition signed and presented to the Secretary by unit owners owning a total of at least fifty percent (50%) of the common interest. The notice of any special meeting shall state the time, place and purpose of the meeting. The business transacted at all special meetings shall be confined to the objects stated in the notice unless the Board of Managers/Directors unanimously consents to the transaction of business not stated in the notice.

Section 4. NOTICE OF MEETINGS. The Secretary shall mail to each unit owner of record a notice of each annual or special meeting of the unit owners at least ten (10) days but not more than twenty (20) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, at the building or at such other address as such unit owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice.

Section 5. ADJOURNMENT OF MEETINGS. If any meeting of unit owners cannot be held because a quorum has not attended, a majority in common interest of the

Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not more than forty-eight (48) hours from the time the original meeting was called.

Section 6. ORDER OF BUSINESS. The order of business at all meetings of the Unit Owners shall be as follows:

- a. Roll call;
- b. Proof of notice of meeting;
- c. Reading of minutes of preceding meeting;
- d. Reports of Officers;
- e. Report of Board of Managers/Directors;
- f. Reports of Committees;
- g. Election of members of the Board of Managers/Directors (when so required);
- h. Unfinished business;
- i. New business; and
- j. Adjournment.

Robert's Rules of Order shall be applicable to the conduct of all meetings of unit owners.

Section 7. VOTING. The owner or owners of each Unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Each unit shall be entitled to cast one (1) vote at all meetings of the unit owners. A fiduciary shall be the voting member with respect to any Lot owned in a fiduciary capacity.

Section 8. MAJORITY OF LOT OWNERS. As used in this By-Laws the term "majority of lot owners" shall mean those lot owners having one hundred percent (100%) of the total authorized votes of all lot owners in person or by proxy and voting at any meeting of the lot owners, determined in accordance with the provisions of Section 7 of this Article.

Section 9. QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Lot Owners having fifty percent (50%) of the total authorized votes of all lot owners shall constitute a quorum at all meetings of the lot owners.

Section 10. MAJORITY VOTE. The vote of a majority of lot owners at a meeting at which a quorum shall be present shall be binding upon all lot owners for all purposes.

Section 11. 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.

ARTICLE V

OFFICERS

Section 1. DESIGNATION. The principal officers of the Owners Association shall be the President and Secretary and Treasurer, all of whom shall be elected by the Board of Managers/Directors. The Board of Managers/Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President and Secretary and Treasurer must be members of the Board

of Managers/Directors.

Section 2. ELECTION OF OFFICERS. Officers shall be elected annually by the Board of Managers/Directors.

Section 3. REMOVAL OF OFFICERS. Upon the affirmative vote of a majority of the members of the Board of Managers/Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers/Directors called for such purpose.

Section 4. PRESIDENT. The President shall be the chief executive officer of the Owners Association. He shall preside at all meetings of the lot owners and Board of Managers/Directors. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the Business Corporation Law of the State of North Carolina including, but not limited to, the power to appoint from among the lot owners any committee which he decides is appropriate to assist in the conduct of the affairs of the Owners Association.

Section 5. SECRETARY. The Secretary shall keep the minutes of all meetings of the lot owners and of the Board of Managers/Directors; he shall have charge of such books and papers as the Board of Managers/Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary of a corporation organized under the Business Corporation Law of the State of North Carolina.

Section 6. TREASURER. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Managers/Directors, and he shall, in general, perform all the duties incident to the office of Treasurer of a corporation organized under the Business Corporation Law of the State of North Carolina.

Section 7. AGREEMENTS, CONTRACTS, DEEDS, CHECKS, ETC. All agreements, contracts, deeds, leases and other instruments of the Association shall be executed by the President and Secretary of the Association and checks are to be executed by such person or persons as may be designated by the Board of Managers/Directors.

Section 8. COMPENSATION OF OFFICERS. No officer shall receive any compensation from the Association for acting as such.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. DETERMINATION OF COMMON EXPENSES AND COMMON CHARGES. The Board of Managers/Directors shall have from time to time and at least annually, prepare a budget for the Association, determine the amount of the common charges required to meet the common expenses of the Association and allocate and assess such common charges against the unit owners according to their respective common interests. The common expenses shall include, among other things, all insurance premiums and expenses related thereto required to be maintained by the Board of Managers/Directors pursuant to the provisions of Section 9 of this Article VI. The common expenses may also include such amounts as the Board of Managers/Directors may deem proper for the operation, maintenance, repair or replacement of the Common Elements and drainage system including, without limitation, an amount for working capital of the Association, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for

any prior year, and any other expenses designated by the Board of Managers/Directors as common expenses. In addition thereto, each lot owner shall be liable for and pay the annual assessment to the BAYSHORE CROSSING Townhome Owners Association, Inc. for maintenance and upkeep of the common area and drainage system of BAYSHORE CROSSING.

Section 2. LIABILITY FOR COMMON CHARGES. All lot owners shall be obligated to pay the common charges assessed by the Board of Managers/Directors pursuant to the provisions of Section 1 above at such times and in such manner as may be directed by the Board.

A. **SELLER'S LIABILITY.** No lot owner shall be liable for the payment of any part of the common charges assessed against his lot from and after the date of closing of the sale, transfer, or other conveyance by him of such lot.

B. **PURCHASER'S LIABILITY.** A purchaser of a lot shall be liable for payment of any common charges assessed against such unit prior to its acquisition by him, except that a mortgagee or a purchaser of a lot at a foreclosure sale shall not be liable for and shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale.

Section 3. COLLECTION OF ASSESSMENTS. The Board of Managers/Directors shall at least annually take prompt action to collect from a lot owner any assessment for common charges which remains unpaid by him for more than thirty (30) days from the due date for its payment.

Section 4. DEFAULT IN PAYMENT OF COMMON CHARGES. In the event of default by any lot owner in paying to the Board of Managers/Directors the assessed common charges, such lot owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Managers/Directors in any proceeding brought to collect such unpaid common charges. The Board of Managers/Directors shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action brought against such lot owner, or by foreclosure of the lien on such lot which is hereby granted by all lot owners in favor of the Association for the enforcement of payment of delinquent common charges.

Section 5. FORECLOSURE OF LIENS FOR UNPAID COMMON CHARGES. In any action brought by the Board of Managers/Directors to foreclose a lien on a Lot because of unpaid common charges, the lot owner shall be required to pay a reasonable rental for the use of his Lot and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect such rental. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 6. STATEMENT OF COMMON CHARGES. The Board of Managers/Directors shall promptly provide any lot owner who makes a request in writing with a written statement of his unpaid common charges.

Section 7. ABATEMENT AND ENJOINING OF VIOLATIONS. The violation of any rule or regulation adopted by the Board of Managers/Directors or the breach of any By-Law contained herein shall give the Board of Managers/Directors the right, in addition to any other rights, to enter the lot owners lot to remedy the violation and they shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

Section 8. MAINTENANCE AND REPAIR.

A. **INDIVIDUAL LOTS.** All maintenance of and repairs to each individual lot, structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common elements contained therein not necessitated by the negligence, misuse, or neglect of the owner of such lot) shall be made by the owner of such lot with the exception of: the association shall maintain all front and side yard landscaping (to include irrigation) and all exterior maintenance to include the roof, but excluding doors and windows. Each lot owner shall be responsible for all damages to any other lot and to the common elements resulting from his failure to effect such maintenance and repairs. The Association shall only be responsible for repairs and maintenance not covered by the insurance required to be maintained by the unit owners, and prior to making repairs which are or may be covered by insurance, the owner is required to submit a claim with their insurance carrier.

B. **COMMON ELEMENTS.** All maintenance, repairs and replacements to the common elements, whether located inside or outside of the lots (unless necessitated by the negligence, misuse, or neglect of a lot owner, in which case such expense shall be charged to such lot owner), shall be made by the Board of Managers/Directors and be charged to all the lot owners as a common expense, to include the stormwater management system.

Section 9. INSURANCE. The Board of Managers/Directors on behalf of the Association, at its common expense, shall at all times keep THE COMMON AREAS of BAYSHORE CROSSING insured against loss or damage by fire, flood or other hazards normally insured against at one hundred percent (100%) of replacement cost, and such other risks, including public liability insurance, upon such terms and for such amounts as may be reasonably necessary from time to time to protect the property; any insurance shall be payable in case of loss to the Board or It's Designee as Trustee for all lot owners. The Trustee so named shall have the authority on behalf of the association and lot owners to deal with the insurer in the settlement of claims.

Each lot owner shall keep his unit insured against loss and damage by fire, tornado, wind storm and flood and against such other hazards as the Board of Managers/Directors may require in an amount equal to the replacement cost for said lot and structure located thereon. Each lot owner agrees upon request of the Board, to provide the Board with satisfactory proof of said insurance. If the lot owner fails or refuses to keep said premises so insured the Board of Managers/Directors may obtain such insurance and the cost of said insurance shall be a lien against said lot as hereinabove set out.

Section 10. DAMAGE OR DESTRUCTION. Except as hereinafter provided, damage to or destruction of a lot shall be promptly repaired and restored by the lot owner using the proceeds of any insurance for that purpose.

Section 11. USE OF LOTS. In order to provide for continual occupancy of the lots and for the protection of their values the use of the lots shall be subject to the following limitations:

A. The lots shall be used for residential purposes only.

B. No portion of the lot other than the entire lot may be rented, and rentals shorter in length than twelve (12) continuous months are prohibited.

No portion of this Article VI, Section 11 is to be modified or amended without the express written consent of the Developer/Declarant."

Section 12. ADDITIONS, ALTERATIONS, OR IMPROVEMENTS BY BOARD OF