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# Exhibit C

Bylaws of The Landings at Sugar Creek Owners Association, Inc.



**BYLAWS  
OF  
THE LANDINGS AT SUGAR CREEK OWNERS ASSOCIATION, INC.**

**ARTICLE I.  
BUSINESS ADDRESS**

The business address of THE LANDINGS AT SUGAR CREEK OWNERS ASSOCIATION (the "Association") shall be 1 Sailfish Drive, Manteo, North Carolina 27954. The business address may be changed by the Board of Directors of the Association if required by the U.S. Postal Service, or, upon approval of the membership, for any other reason.

**ARTICLE II.  
MEMBERSHIP IN THE ASSOCIATION**

Every person or entity who is a record owner of a fee or undivided fee interest in any of the units in any phase of The Landings at Sugar Creek Condominium ("the Condominium"), located in Dare County, North Carolina, shall be a member of the Association. Ownership of such interest shall be the sole qualification for membership, and membership shall be appurtenant to and may not be separated from such ownership.

**ARTICLE III.  
PURPOSES OF THE ASSOCIATION**

The purposes and duties of the Association shall be:

- A. To manage the Condominium pursuant to the terms and provisions of Article 3 of Chapter 47C of the North Carolina General Statutes, these Bylaws, any Rules and Regulations promulgated by the Association or its Board of Directors and that Declaration of The Landings at Sugar Creek Condominium of record at Book \_\_\_\_\_ Page \_\_\_\_\_, Dare County Registry, as the same may be amended from time to time ("the Declaration");
- B. To enforce the provisions of these Bylaws, the Declaration, and any Rules and Regulations promulgated by the Association or its Board of Directors;
- C. To promote and protect the enjoyment and beneficial use and ownership of all of the units of the Condominium ("the Units").

No part of the net earnings of the Association shall inure to the benefit of its members, the members of its Board of Directors or its officers, or to any other person, except that the Association shall be authorized and empowered to pay reasonable



compensation for services rendered and to make payments and distributions in furtherance of the above stated purposes.

#### ARTICLE IV. ASSESSMENTS

The Association shall make and collect assessments against the Units as stated in the Declaration and as provided in Chapter 47C of the North Carolina General Statutes.

#### ARTICLE V. MEETINGS OF MEMBERS

Section 1. Place of Meetings. All meetings of members shall be held at such place in Dare County, North Carolina, as shall be designated on the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.

Section 2. Annual Meetings. The annual meeting of the members shall be held during March or April of each year on any day during that period (except a legal holiday) as determined by the Board of Directors, for the following purposes:

1. to elect the Board of Directors of the Association (subject to the provisions of Section 8 of the Declaration) for the coming fiscal year; and
2. to transact any other business that may come before the membership, including but not limited to the adoption, modification and/or repeal of any Rules and Regulations governing the Condominium.

Section 3. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article V. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. Special Meetings. Special meetings of the members may be called at any time by the President or the Board of Directors of the Association, or upon the written request of not less than twenty percent (50%) of the members.

Section 5. Notice of Meetings. Written notice of the meeting shall be delivered not less than ten nor more than fifty days before the date of any members' meeting, either personally or by mail, by or at the direction of the President, the Secretary, or other person calling the meeting, to each member of record. The notice shall state the time and place of the meeting and shall also state the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes and any proposal to remove an Officer/Director. If mailed, such shall



be deemed to be delivered when deposited in the United States Mail, addressed to the member at his/her address as it appears on the record of members of the Association, with postage thereon prepaid. It shall be the responsibility of the individual members to keep the Secretary informed of their current addresses. In the absence of instructions from an individual member as to his/her address, the Secretary shall be entitled to rely on the most recent records on file with the Association to determine the addresses of the owner(s) of a Unit. The notice of meeting must state the time and place of the meeting and all items on the agenda for the meeting.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 6. Voting Rights. On matters of the Association's business submitted to vote of the membership, there shall be one (1) vote per Unit, regardless of the number of owners of a Unit. At any special meeting of members, greater than fifty percent (50%) of the Units (represented either in person or by proxy) shall constitute a quorum for the purposes of submitting any matter to a vote. Except as otherwise provided by the Declaration, Chapter 47C of the North Carolina General Statutes, or these Bylaws, all matters submitted to a vote at any meeting held in accordance with these Bylaws shall be decided by a simple majority of the total votes cast.

Section 7. Voting by Proxy. Votes may be cast either in person or by one or more agents authorized by a dated, written proxy executed by the member or his/her attorney-in-fact. A proxy terminates after the particular meeting for which that proxy was executed. A proxy may only be tendered on the official proxy form as promulgated by the Board from time to time.

Section 8. Voting List. The Secretary of the Association shall prepare an alphabetical list of the members entitled to vote at such meeting or any adjournment thereof, with the address of each, which list shall be kept on file with the book of records of the Association. This list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any members during the whole time of the meeting.

Section 9. Waiver of Notice. Any member may waive notice of any meeting. The attendance by a member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.





## ARTICLE VI. BOARD OF DIRECTORS

Section 1. Purpose, Number and Term of Office. The business and affairs of the Association shall be managed by a Board of Directors of no more than five (5) individuals and no less than three (3), who shall be entitled to act on behalf of the Association. The Board of Directors shall initially consist of the initial members of the Board of Directors as named in the Articles of Incorporation of the Association. Subsequently, the Board of Directors shall be appointed by the Declarant until such time as the period of Declarant control of the Association has terminated pursuant to the provisions of the Declaration. At the first meeting of the membership of the Association following the termination of the period of Declarant control of the Association, the members of the Board of Directors shall be elected by the membership of the Association and those persons who receive the highest number of votes at a meeting at which a quorum is present shall be elected. Each member of the Board of Directors shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and the election of his/her successor. All Directors elected by the membership of the Association must be unit owners.

Section 2. Powers and Duties. The Board of Directors shall have the power and the duty to act on behalf of the Association in all instances, except that the Board may not amend the Declaration, terminate the condominium, elect members of the Board (except to fill any vacancy in its membership for the unexpired portion of a term) or determine the qualifications, powers, duties or terms of office of members of the Board. In addition the Board of Directors shall have the following specific powers, duties and responsibilities:

A. The Board will keep a complete record of all of its acts and all affairs of the Association and make the same reasonably available for examination by any member, its agents or mortgagees.

C. The Board may fine any unit owner an amount not to exceed Two Hundred Fifty Dollars (\$250.00) for any single violation of the Declaration, these Bylaws or any Rules and Regulations promulgated by the Board. In such event, the Board shall provide the unit owner fined an opportunity to be heard before an Adjudicatory Panel to be appointed by the Board pursuant to Article X below. Multiple fines may be assessed against any unit owner for multiple violations. Any such fines shall be deemed assessments against the unit of such owner, and shall be collectable as provided in the Declaration.

D. The Board may contract a management agent to perform and execute such duties, functions and responsibilities of the Board as the Board may deem appropriate; however, no such contract shall relieve the Board from its fiduciary duty to the Association.



Notwithstanding any other provision herein, the Board of Directors is authorized, on behalf of the Association, to submit any dispute with or claim against the owner(s) of any Unit(s) to voluntary arbitration pursuant to any arbitration program then in effect in the General Court of Justice of Dare County, North Carolina.

Section 3. Removal of Directors. Any director may be removed at any time with or without cause by a vote of at least sixty-seven percent (67%) of all persons present and entitled to vote at any meeting of the membership of the Association at which a quorum is present. However, directors who are appointed by the Declarant may only be removed by the Declarant.

Section 4. Vacancies. In the event of the death, disability, resignation or removal of a director, his/her successor shall be selected and appointed by the remaining members of the Board of Directors to serve until the next meeting of the membership of the Association or until a successor is appointed by the Declarant if such vacancy is the result of the death, disability, resignation or removal of an initial director or a director who was appointed by the Declarant.

#### ARTICLE VII. MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Called Meetings. Meetings of the Board of Directors may be called by or at the request of the President or any two directors.

Section 2. Notice of Meeting. The person or persons calling a meeting of the Board of Directors shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 3. Waiver of Notice. Any member of the Board of Directors may waive notice of any meeting. The attendance by a member of the Board of Directors at a meeting shall constitute a waiver of notice of such meeting, except where a member of the Board of Directors attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. A majority of the number of the members of the Board of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the members of the Board of Directors.

Section 5. Manner of Acting. Except as otherwise provided in these Bylaws, the act of the majority of the members of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6. Informal Action by Members of the Board of Directors. Action taken by a majority of the members of the Board of Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of



the members of the Board of Directors and filed in the book of records of the Association, whether done before or after the action so taken.

Section 7. Committees of the Board. The Board of Directors may establish either standing or ad hoc committees of the members to assist it in its work. Such committees shall be chaired by a member of the Board of Directors.

## ARTICLE VIII OFFICERS

Section 1. Designation. The officers of the Association shall consist of a President, a Vice-President, a Secretary, and a Treasurer, and such other officers as the membership may from time to time elect. The offices of Secretary and Treasurer may be held by the same person; otherwise, no two offices may be held by the same person.

Section 2. Election and Term. The initial officers of the Association shall be elected by the initial members of the Board of Directors of the Association. Subsequently, the officers of the Association shall be appointed by the Board of Directors. Members of the Board shall be eligible for appointment to serve as officers of the Association. The officers shall be appointed to one-year terms, and each officer shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and the appointment of his/her successor.

Section 3. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He/she shall, when present, preside at all meetings of the members. He/she shall sign, with the Secretary, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President, together with the Secretary, shall execute any amendments to the Declaration approved by the membership of the Association.

Section 4. Vice President. In the absence of the President or in the event of his/her death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President, and shall perform such other duties as from time to time may be assigned to him/her by the President or the Board of Directors.





Section 5. Secretary. The Secretary shall: (a) keep minutes of the meetings of members, of the Board of Directors and of all Executive Committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) be authorized to certify and oversee the recordation of amendments to the Declaration on behalf of the Association; (e) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 6. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such depositories as shall be selected in accordance with the provisions of Section 4 of Article IX of these Bylaws; (c) prepare, execute and deliver certificates of Assessments as provided by Section 13 of the Declaration; and (d) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors. With the approval of the Board, these duties may be delegated by the Treasurer to the duly contract Management Agent for the Association.

#### ARTICLE IX. CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 1. Contracts. The Board of Directors 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 the behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 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 the President or the Treasurer of the Association or its Management Agent.

Section 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 Board of Directors or its Management Agent may select.





## ARTICLE X ADJUDICATORY PANEL

Section 1. Appointment of Adjudicatory Panel. The Board of Directors shall, not less than annually, appoint an Adjudicatory Panel of five (5) individuals, all of whom shall be residents of the condominium. Members of the Board shall be eligible to serve as members of the Adjudicatory Panel. Members of the Panel shall be appointed to one-year terms, and each member shall sit until his/her death, disability, resignation or removal, or until the expiration of his/her term and the appointment of his/her successor.

Section 2. Hearings. In the event that a fine is assessed against a unit owner by the Board of Directors pursuant to Subsection 2(C) Article VI above, the Adjudicatory Panel shall provide to the unit owner so fined notice of the violation and an opportunity to be heard regarding the alleged violation and the assessed fine. If within ten (10) days of receipt of the notice the unit owner requests in writing a hearing, the Adjudicatory Panel shall hear the matter within thirty (30) days of the date of the written request. Three (3) members of the Panel shall constitute a quorum for the purpose of conducting a hearing. Following such a hearing, the Adjudicatory Panel shall confirm, deny or modify the fine imposed by the Board and shall notify the unit owner of its decision. The decision of the Panel with regard to the fine shall be final.

## ARTICLE XI. INDEMNIFICATION

Any person who at any time serves or has served as an officer, member of the Board of Directors and/or member of the Adjudicatory Panel of the Association shall have a right to be indemnified by the Association to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him/her in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitrative action, suit, or proceeding (and any appeal therein), whether or not brought by or on behalf of the Association, seeking to hold him/her liable by reason of the fact that he/she is or was acting in such capacity, and (b) reasonable payments made by him/her in satisfaction of any judgment, money decree, fine, penalty or settlement for which he/she may have become liable in any such action, suit or proceeding.

Upon request for payment, the President of the Association shall promptly call a special meeting of the Board of Directors to obtain approval to pay the indemnification required by this bylaw. Such approval may be general or confined to specific instances, and shall not be unreasonably withheld. Upon approval by the Board of Directors, the President shall promptly cause the indemnification to be paid to the requesting party.

Any person who at any time after the adoption of this bylaw serves or has served as an officer, member of the Board of Directors and/or member of the Adjudicatory



Panel 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 other rights to which such person may be entitled apart from the provision of this bylaw.

## ARTICLE XII. DISSOLUTION

In the event of dissolution of the Association, the residual assets of the Association will be distributed to a nonprofit organization with purposes similar to those of the Association, or to any other organization eligible under the provisions of Chapter 55A of the General Statutes of North Carolina. However, in no event shall the residual assets of the Association be distributed in a fashion that terminates the Association's 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.

## ARTICLE XIII. SECTION 528 STATUS

The Association shall elect and shall be managed in such fashion as to maintain tax-exempt status under Section 528 of the Internal Revenue Code of 1986. The Association shall not carry on any activities prohibited by an Association electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law.

## ARTICLE XIV. GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Association.

Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year.

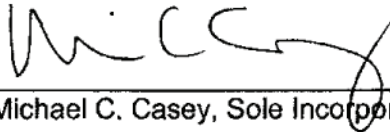
Section 3. Amendments. Following the termination of the initial period of Declarant control provided for in the Declaration, the members of the Association may amend these Bylaws, repeal these Bylaws and/or adopt new Bylaws by the vote of at least sixty-seven percent (67%) of all existing Units at any meeting of the membership of the Association properly held and conducted pursuant to Article V above.



Section 4. Conflicts. In the event of any conflict between the terms and provisions of these Bylaws and the terms and provisions of the Declaration, the terms and provisions of the Declaration shall control.

Section 5. References to Statutes. All references herein to any statutory provision shall be construed to include and apply to any subsequent amendments to or replacements of such provisions.

SIGNED:



(SEAL)

Michael C. Casey, Sole Incorporator



EXHIBIT A  
to Bylaws of the Landings at Sugar Creek Condominium

RULES AND REGULATIONS

Rules and Regulations  
for  
The Landings at Sugar Creek Condominium

The rules and regulations hereinafter enumerated shall be deemed in effect unless or until amended by the Landings at Sugar Creek Owners Association, Inc. (the "Association") and shall apply to and be binding upon all owners. The owners shall obey at all times said rules and regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control and supervision. The initial rules and regulations are as follows:

SECTION I: General Rules and Regulations

Lighting. The design, type, location, size, intensity and color of all exterior lights (including both those mounted as part of the original design of the Submitted Property or otherwise in place at the time of the conveyance of a Unit to an Owner and those mounted with the consent of the Board of Directors) shall be subject to the prior written approval of the Board of Directors.

Pets. No animals or birds, other than two (2) generally recognized house pets (excluding pet fish in an aquarium) shall be kept or maintained on any portion of the Submitted Property and then only if they are kept or maintained solely as domestic pets and not for commercial purposes. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Common Elements or Limited Common Elements. Pets shall be on a leash when walked or exercised in any portion of the Common Elements. No pets shall be permitted to leave its droppings on any portion of the Common Elements and the Owner of such pet shall immediately remove the droppings. Upon the written request of any Owners, the Board of Directors may conclusively determine, in its sole and absolute discretion, whether, for the purposes of this Section, a particular pet is permitted or such pet is a nuisance and shall have the right to require the Owner of a particular pet to remove such pet from the Condominium if such pet is found to be a nuisance or to be in violation of these restrictions. The Board of Directors may allow for a third pet in a particular instance at its sole discretion, but such shall not be deemed a waiver of the 2-pet limit herein established. No pets may be kept and maintained outside of a Unit. No horses, goats, or other livestock are allowed.

Antennas. No antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors on any portion of the Submitted Property, whether attached to a building or structure or otherwise, without the prior written consent of the Board.





Motor Vehicle, Trailers, Boats, Etc. Automobiles shall be operated and parked only upon those portions of the Common Elements designated for such purpose on the Plat, Plans or by the Board of Directors. Other motor vehicles, including, without limitation, mobile homes, motor homes, truck campers, trailers of any kind and boats, shall be kept, placed, stored, parked, maintained or operated only upon those portions of the Submitted Property, if any, designated specifically for such purpose by the Board of Directors. Further, although not expressly prohibited hereby, the Board of Directors may prohibit mobile homes, motor homes, truck campers, trailers of any kind, motorcycles, motor scooters, motorized bicycles, mo-peds, motorized go-carts and other such conveyances, or any of them, from being kept, placed, stored, maintained or operated upon any portion of the Submitted Property if in the opinion of the Board of Directors such prohibition shall be in the best interest of the Condominium. No boats or trailers of any Owner or Member of his family, his tenants, guest or contract purchasers shall be parked within the right-of-way of any street in or adjacent to the Submitted Property.

Nuisances. No rubbish or debris of any kind shall be dumped, placed, or permitted to accumulate upon any portion of the Submitted Property, except in containers specifically designated for such purpose, nor shall any odors be permitted, so as to render any portion of the Submitted Property unsanitary, unsightly, offensive or detrimental to persons using or occupying other portions of the Submitted Property. No nuisance shall be permitted to exist or operate upon any portion of the Submitted Property so as to be offensive or detrimental to persons using or occupying other portions of the Submitted Property. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on the Submitted Property.

Prohibited Activities. Noxious or offensive activities shall not be carried on in any Unit or in any part of the Common Elements. Each Owner and occupant shall refrain from any act or use of his Unit or the Common Elements which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the other Owners and occupants, or which could result in the cancellation of insurance on any Unit or any portion of the Common Elements, or which would be in violation of any law or governmental code or regulation. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertake on any portion of the Submitted Property.

Governmental Regulations. All governmental building codes, health regulations, zoning restrictions, and the like applicable to the Submitted Property shall be observed and are hereby incorporated by reference herein as if set forth word for word. All Unit Owners shall acknowledge, adhere to, and comply with any and all such governmental regulations, including the provisions of the Coastal Area Management Act and the regulations of the Division of Environmental Management. In the event of any conflict between any provisions of this Declaration, the more restrictive provisions shall apply.



Commercial Units: Commercial Units shall not be used for any purposes that are hazardous or noxious in nature, are detrimental to the on-site septic system, or are harmful or deleterious to other development in the Landing at Sugar Creek or the surrounding area.

## SECTION II: BILLING AND COLLECTION PROCEDURES FOR CONDOMINIUM ASSOCIATION ANNUAL ASSESSMENTS

PURPOSE: To establish a policy for billing and collecting annual assessments from members that: Is consistent with and supportive of the Declaration for Condominium. Ensures the expedient and equitable collection of annual assessments from members. Establishes guidelines for assessing late fees and penalties to delinquent balances owed by members.

PROCEDURE: The Board of Directors establishes the total amount of annual assessment, or membership fees, due from each member, or property owner. This annual assessment is billed to the membership in four equal quarterly installments during the calendar year. For this policy's purposes, quarters are defined as follows: 1<sup>st</sup> Month 2<sup>nd</sup> Month 3<sup>rd</sup> Month 1<sup>st</sup> Quarter January February March 2<sup>nd</sup> Quarter April May June 3<sup>rd</sup> Quarter July August September 4<sup>th</sup> Quarter October November December

Billing Parameters. The quarterly assessment amount is billed in advance and mailed to the membership by the 1<sup>st</sup> day of the 3<sup>rd</sup> month in the quarter. Quarterly assessment revenues are thereby recognized, or "booked," on the 1<sup>st</sup> day of the 1<sup>st</sup> month for each quarter.

Payment Due Dates. Members are expected to remit total payment of quarterly assessment amounts by the 2<sup>nd</sup> day of the 1<sup>st</sup> month in the quarter. Members not remitting the total quarterly amount by the 1<sup>st</sup> day of the 1<sup>st</sup> month in the quarter are considered delinquent.

Delinquency Actions. By the 2<sup>nd</sup> day of the 1<sup>st</sup> month in the quarter, a Collection Letter is mailed to members with a delinquent account balance. Members are delinquent by the 2<sup>nd</sup> day of the first month in the quarter. Interest of 1.0% per month will be charged starting on the 2<sup>nd</sup> day of the 1<sup>st</sup> month in the quarter.

Any Assessment, or portion thereof, not paid within thirty (30) days after the due date shall be then charged a late fee of no greater than \$10 or 10% of the amount of each assessment not paid after the due date of each billing. If the assessment is not paid within thirty (30) days after the due date a lien will be filed against such Owner's Condominium Unit and a copy will be mailed to the member shortly. Any interest charge, calculated at a rate of 1.0% per month or 12% per annum, will be added to their outstanding balance.

May impose legal proceedings if by the 2<sup>nd</sup> day of the 3<sup>rd</sup> month quarterly assessments are not paid.

Appropriate legal and other collection costs have been added to their outstanding quarterly balance.



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Monthly interest continues to be computed and added to the outstanding account balance until the member remits the total amount due, inclusive of all interest charges, late fees, legal and other collection costs.

**EXAMPLE**

1<sup>ST</sup> Day of 1<sup>st</sup> Month Dues is due

2nd Day of 1<sup>st</sup> Month Account is delinquent

Interest begins to accrue on the balance of the account

Late Letter 1 is sent informing homeowners of interest accrual on their Account

1<sup>st</sup> Day of 2nd Month Lien is filed on homeowner's property

Delinquent account is charged late fee

Interest continues to accrue on the remaining balance of the account

10<sup>th</sup> day of 2<sup>nd</sup> Month Late letter 2 is sent informing homeowners of the lien filed, the late fee charged to their account, and continued interest accrual

Collection Letter #2 will be sent on the 10day of the 2<sup>nd</sup> month of the quarter informing the recipient member of other penalties pertaining to nonpayment of association dues, as outlined in Declaration of Condominium, are being invoked. The Board of Directors may suspend:

Voting rights;

Rights to use of Amenities.

These privileges will be reinstated upon receipt of the total payment of the member's outstanding account balance, inclusive of late fees, interest charges, legal and other collection costs.

PROPOSED  
ADDITIONAL RULES AND REGULATIONS

FOR

THE LANDINGS AT SUGAR CREEK CONDOMINIUM

Section I:

Storage Units Each of the forty one (41) Units of The Landings at Sugar Creek Condominium - Phase Two shall be assigned a storage unit to be identified by the unit number on the door to said storage unit, which storage units are more particularly described and delineated on the plats and plans of the Condominium. Despite their designation to particular Units, these storage units are Common Elements of the Association. Maintenance and repair of the storage units shall be in accordance with Article 19 of the Declaration. No explosives, inflammable liquids, contraband, or other goods prohibited by law shall be placed or kept in a storage unit. Keys to the storage units shall be provided by the Unit Owner to the Association for emergency access. The use and maintenance of said storage units are subject to such other uses and regulations as the Association may place thereupon.