

BY-LAWS

OF

GUM BRANCH CENTER CONDOMINIUM OWNERS ASSOCIATION, INC.

A corporation not for profit under the laws of the State of Carolina

PHONE: 819-455-8974
219 NEW BRIDGE STREET • AITONRY
CAYCE, EDWARDS AND MACLACHLAN
NORTH CAROLINA 28541-1827

1. IDENTITY. These are the By-Laws of GUM BRANCH CENTER CONDOMINIUM OWNERS ASSOCIATION, INC., hereafter called the Association, a non-profit corporation under the laws of the State of North Carolina, the Articles of Incorporation of which have been filed in the Office of the Secretary of State and recorded in the Onslow County Registry. It has been organized for the purpose of administering the operation and management of Gum Branch Center Condominiums hereafter called the Condominium, a condominium to be established in accordance with the laws of the State of North Carolina upon the property situate, lying and being in Onslow County, North Carolina, and described in Exhibit "A" of the Declaration of Condominium and incorporated herein by reference.

A. The provisions of these By-Laws are applicable to the Condominium, and the terms and provisions hereof are expressly subject to the terms, provisions, conditions and authorization contained in the Articles of Incorporation recorded in Book ____, Page ____ in the Onslow County Registry and in the Declaration of Condominium recorded in Book ____, Page ____, in the Onslow County Registry, at the time said property and the improvements now situated thereon are submitted to the plan of Condominium ownership. The terms and provisions of said Articles of Incorporation and Declaration of Condominium shall be controlling wherever they may be in conflict with the provisions of these By-Laws.

B. All present or future Owners, tenants, future tenants, their employees or any other person who might use the Condominium or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws, said Articles of Incorporation and said Declaration of Condominium.

C. The office of the Association shall be at such place in Onslow County, North Carolina, as the Board of Directors shall designate from time to time.

D. The fiscal year of the Association shall be the calendar year, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first condominium.

2. MEMBERSHIP, VOTING, QUORUM, PROXIES

A. The qualification of members, the manner of their admission to and termination of membership of and the voting by members shall be as set forth in Article VI of the Articles of Incorporation of the Association, the provisions of which said Article VI of the Articles of Incorporation are incorporated herein by reference.

B. A quorum at any meeting of the members shall consist of the number of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring with the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

C. The vote of the Owners of a Unit owned by more than one person, by a corporation or by some other entity shall be cast by the one person named in the certificate signed by all of the Owners of said Unit and filed with the secretary of the Association, and such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the vote of such Owners shall not be considered for any purpose.

D. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the secretary before the appointed time of the meeting.

E. Approval or disapproval of an Owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such Owner if in an Association meeting.

F. Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws or the Declaration of Condominium, or whether the same may otherwise be required by law, the affirmative vote of the persons entitled to cast a majority of the votes at any duly called members' meeting at which a quorum is present shall be binding upon the meeting.

3. ANNUAL AND SPECIAL MEETING OF MEMBERSHIP

A. The annual members' meeting shall be held at a time and place designated by the Board of Directors on the first Tuesday in May of each year

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that is not a legal holiday, for the purpose of electing directors and of transacting any other business authorized to be transacted by the members.

D. Special members' meetings shall be held whenever called by the president or vice-president or by a majority of the Board of Directors and must be called by such officers upon receipt of written request from members of the Association owning a majority of the Units.

C. Notice of all members' meetings, regular or special, shall be given by the president, vice-president or secretary of the Association, or other officer of the Association in the absence of said officers, to each member, unless waived in writing. Such notice shall be written and state the time, place and purpose for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or delivered personally to each member within said time. If delivered personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail and addressed to the member at his post office address as it appears on the register of Owners of the Association as of the date of mailing such notice with the postage thereon prepaid. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any member may, by signed written waiver of notice, waive such notice and, when filed in the records of the Association whether before or after the holding of the meeting, such waiver shall be deemed equivalent to the giving of notice to the member. If any members' meeting cannot be organized because a quorum has not attended or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended (wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration of Condominium or whether the same may otherwise be required by law), the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than a quorum, is present.

D. The order of business, as far as practical, at any members' meeting shall be:

- 1. Calling of the roll and certifying of proxies;

- 2. Proof of notice of meeting or waiver of notice;
- 3. Reading and disposal of any unapproved minutes;
- 4. Reports of officers;
- 5. Reports of committees;
- 6. Appointment of inspectors of election by chairman;
- 7. Unfinished business;
- 8. New business; and,
- 9. Adjournment.

4. BOARD OF DIRECTORS

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A. The initial Board of Directors of the Association and each succeeding Board of Directors shall consist of three (3) persons. So long as the developer, Gum Branch Center Condominiums, hereafter called the Developer, owns twenty-five percent (25%) or more of the Units in Gum Branch Center Condominiums, but in any event no longer than December 31, 1988, the Developer shall have the right to select a majority of the persons who shall serve as members of each Board of Directors of the Association; and so long as the Developer is the Owner of at least one Unit, but in any event, no longer than December 31, 1988, the Developer shall have the right to designate and select one Director of the Association.

B. Election of Directors shall be conducted in the following manner:

1. The Developer shall, at the beginning of the election of the Board of Directors, select that number of the members of the Board of Directors which it shall be entitled to select in accordance with the provisions of these By-Laws, and upon such selection by Developer by written instrument presented to the meeting at which such election is held, said individuals selected by Developer shall be considered Directors of the Association and shall thenceforth perform the offices and duties of such Directors until their successors shall have been elected in accordance with the provisions of these By-Laws.

2. All members of the Board of Directors whom the Developer shall not be entitled to select under the terms and provisions of these By-Laws shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association immediately following the selection of the members of the Board of Directors whom the Developer shall be entitled to select.

3. Vacancies on the Board of Directors may be filled until the date of the next annual meeting by the remaining Directors, except that should any vacancy in the Board of Directors be created in any Directorship previously filled by any person selected by the Developer, such vacancy shall be filled by the Developer selecting, by written instrument delivered to any officer of the Association, the successor Director to fill the vacated Directorship.

4. The initial Board of Directors will consist of three (3) members. From and after the date of the first annual meeting of members, there shall be three (3) Directors. The initial Board of Directors shall serve until their successors at the first annual meeting of members are elected and qualify. Each Director shall hold office for a term of one (1) year or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualifies.

5. In the election of Directors, there shall be appurtenant to each Unit a total vote equal to the number of Directors to be elected multiplied by the Unit's appurtenant undivided interest in the Common Elements as set forth in Exhibit "D" of the Declaration; provided, however, no member or Owner of one (1) Unit may cast a vote greater than the Unit's appurtenant undivided interest in the Common Elements for any one person nominated as a Director so that voting for Directors shall be noncumulative. Notwithstanding the fact that the Developer shall be entitled to select a majority of the members or one of the members of the Board of Directors, it shall still be entitled to cast the vote for each Unit owned by it in the election of other Directors.

6. In the event the Developer, in accordance with the rights herein established, selects any person to serve on any Board of Directors of the Association, the Developer shall have the absolute right at any time, in its sole direction, to replace such person with another person to serve on any Board of Directors. Replacement of any person designated by the Developer to serve on any Board of Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name of the person to be replaced and the name of the person designated as successor to the person so removed from the Board of Directors. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by the Developer to any officer of the Association.

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C. The organizational meeting of each newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the meeting at which they are elected, and no further notice of the organizational meeting shall be necessary, provided a quorum shall be present.

D. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.

E. Special meetings of the Directors may be called by the president or by a majority of the Board of Directors.

F. The presiding officer at the Directors' meetings shall be the Chairman of the Board, if such an officer has been elected, and if none, then the president of the Association shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

G. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be equivalent to the giving of notice.

H. A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes cast at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, these By-Laws or the Declaration of Condominium. If any Directors' meeting cannot be organized because a quorum has not attended or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration of Condominium, the Directors who are present may adjourn the meeting from time to time until a quorum or the required percentage of attendance, if greater than a quorum, is present. At any adjourned meeting, any business that 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

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constitute the presence of such Director for the purpose of determining a quorum.

I. Directors' fees, if any, shall be determined by the members.

J. All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation, these By-Laws and the Declaration of Condominium and shall include, without limiting the generality of the foregoing, the following:

1. To make, levy and collect assessments against members and members' Units to defray the costs of the Condominium, as provided for in Article XV of the Declaration of Condominium, which Article is hereby incorporated by reference into these By-Laws, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association;

2. To maintain, repair, replace, operate and manage the Common Areas and Facilities wherever the same is required to be done and accomplished by the Association for the benefit of its members and to approve any expenditure made or to be made for said purpose;

3. To reconstruct any part of the Common Elements after casualty in accordance with Article XVIII of the Declaration of Condominium and to make further improvements to the Common Elements, real and personal, and to make and to enter into any and all contracts necessary or desirable to accomplish said purposes;

4. To make, amend and enforce regulations governing the use of the Common Elements and Units so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Declaration of Condominium;

5. To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including Units in the Condominium, as may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Declaration of Condominium, provided that the acquisition of real property other than Units shall require the approval of the Association;

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6. To acquire, now or at any time hereafter, and to enter into leases and agreements whereby the Association acquires leaseholds, memberships and other possessory or use interests in lands or facilities as may be of benefit to the Owners.

7. To contract for the management of the Condominium and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or membership of the Association;

8. To enforce by legal means or proceedings the provisions of the Articles of Incorporation, the By-Laws, the Declaration of Condominium and the regulations hereinafter promulgated governing use of the Common Areas and Facilities of the Condominium;

9. To pay all taxes and assessments which are or may become liens against any part of the Condominium, other than against Units and the appurtenances thereto, and to assess the same against the Owners and their respective Units subject to such liens;

10. To purchase insurance for the protection of the members, Directors and the Association against casualty and liability in accordance with Article XVI of the Declaration of Condominium;

11. To pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the Owners of the separate Units; and,

12. To designate and remove personnel necessary for the maintenance, repair, replacement and operation of the Condominium, including the Common Areas and Facilities.

K. The undertaking and contracts authorized by the initial Board of Directors shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by any Board of Directors duly elected by the membership after the Declaration of Condominium has been recorded, so long as such undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the Association in accordance with all applicable Condominium documents.

L. Any one or more of the members of the Board of Directors may be removed, either with or without cause, at any time by affirmative vote of the

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members owning a majority of the aggregate undivided interest in the Common Areas and Facilities of the Condominium, at any special meeting called for such purpose, or at the annual meeting; provided, however, that only the Developer shall have the right to remove a Director appointed by it.

M. In the event of resale, renting or leasing of a Unit, the Board of Directors has the option to purchase, rent or lease the same on the same conditions as offered by the Owner to any third person. Any attempt to resell, rent or lease a Unit without a prior offer to the Board shall be deemed a breach of this Declaration, and shall wholly be null and void, and shall confer no title or interests whatsoever upon the intended purchaser, tenant or lessee.

Should the Owner wish to sell, lease or rent his Unit (which means the Unit, together with the undivided share in the Common Elements, and the right to use the limited Common Elements, if applicable, which are appurtenant thereto) he shall, before making or accepting any offer to sell, purchase, lease or rent his Unit, deliver to the Board of Directors, at the office of the Association, a written notice of his intent to sell, lease or rent, which notice shall contain the terms of the offer he has received, which he wishes to accept, or the terms of the offer he is prepared to make, and the name and address of the prospective purchaser or tenant. The Board of Directors, within ten (10) days after receiving such notice, shall either consent to the transactions specified in said notice, or, by written notice to be delivered to the Owner's Unit, designate that the Association, one or more persons then Owners, or any other person or persons satisfactory to the Board of Directors is willing to purchase, lease or rent upon the said terms as those specified in the Owners notice. Thereupon, the Owner shall either accept such offer or withdraw or reject the offer specified in this notice to the Board of Directors. The stated decision of the Board of Directors shall have fifteen (15) days to close from the date of the notice sent by the Board of Directors upon the same terms specified in the Owners notice. Failure of the Board of Directors to designate such person or persons within said ten (10) day period, or the failure of such person or persons to close within the said fifteen (15) day period, shall be deemed consent by the Board of Directors to the transaction specified in the Owner's notice, and the Owner shall be free to make or accept the offer specified in his notice, and sell, lease or rent said interest pursuant

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thereto to the prospective purchaser or tenant named therein. The Board of Directors shall give to the Owner an instrument in recordable form showing the consent of the Board of Directors to the transfer of ownership in the Unit. The Owner shall have no right to sell, lease or rent his interest, or any part thereof, except as expressly provided for herein. The sub-leasing or sub-renting of said interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the Owner under these covenants shall continue notwithstanding the fact that he may have leased or rented said interests as provided herein. Every purchaser, tenant or lessee shall take, subject to this Declaration, the By-Laws and provisions of the Unit Ownership Act.

Upon receipt of an Owner's written notice, the Board of Directors may, with the authorization and approval of the majority of the members present at any regular or special meeting of the members, acquire, rent or lease a Unit in the name of the Association or a designee.

At any judicial sale of any Unit, the Board of Directors may, with the authorization and approval of a majority of the members present at any regular or special meeting of the members, acquire a Unit in the name of the Association or its designee. The term "judicial" as used in this section shall include any foreclosure of any lien, including a lien for assessment. The power of the Board of Directors to acquire at any judicial sale shall never be interpreted as any requirement or obligation on the part of the Board of Directors or of the Association, to acquire at any judicial sale, the provisions hereof being permissive in nature and for the purpose of setting forth power in the Board of Directors to so acquire should the requisite approval of the members be obtained.

5. OFFICERS

A. The executive officers of the Association shall be a president (who shall be a Director), a vice-president, a treasurer, a secretary and an assistant secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by a vote of the Directors at any meeting. Any persons may hold two or more offices, except that the president shall not also be vice-president, secretary, or an assistant secretary. The Board of Directors shall, from time to time, elect such other

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officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

B. The president shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of any association, including the power to appoint committees from among the members as he may determine appropriate to assist in the conduct of the affairs of the Association.

C. The vice-president shall, in the absence or disability of the president, exercise the powers and perform the duties of president. He shall also generally assist the president and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

D. The secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the president. The assistant secretary shall perform the duties of secretary when the secretary is absent.

E. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep, or supervise the keeping of, detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Areas and Facilities, specifying and identifying the maintenance and repair expenses of the Common Areas and Facilities and any other expenses incurred. All books and records shall be kept in accordance with good and accepted accounting practices, and an outside audit shall be made at least once a year.

F. The compensation of all officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association, nor preclude the contracting with a Director for the management of the Condominium.

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G. All officers shall serve at the pleasure of the Board of Directors, and any officer may be removed from office at any time, with or without cause, by a majority vote of the Board of Directors.

6. FISCAL MANAGEMENT. The provisions for fiscal management of the Association set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

A. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owners, the date and amounts in which assessments come due, the amounts paid upon each account and the balance due upon assessments.

B. The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to, the preparation of a Common Expense budget, which may include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of and capital improvements to the Common Elements, including landscaping, streets, walkways, office expenses, utility services, casualty insurance, liability insurance, administration expenses, reserves (operating and capital improvement replacement), management fees and costs of maintaining leasehold memberships and other possessory or use interests in land or facilities, whether or not contiguous to the lands of the Condominium, to provide enjoyment, recreation or other use or benefit to the Owners.

Copies of the proposed budget and any proposed assessments shall be transmitted to each member prior to January 1 of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Non-delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors at any time in their sole discretion to levy any additional assessments in the event that the

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budget originally adopted shall appear to be insufficient to pay the costs and expenses of operation and management or in the event of emergencies.

C. The Board of Directors may retain professional management services to be primarily responsible for the fiscal management of the Association and the physical maintenance of the Condominium. Any management agreement for the Condominium will be terminable by the Association with or without cause upon thirty (30) days' written notice thereof, and the term of any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods.

D. The depository of the Association shall be such bank or banks as may be designated from time to time by the Directors and in which the fund of the Association shall be deposited. Withdrawal of funds from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

E. The books and all supporting documentation shall be available for examination at the location of the Association by all Owners and their lenders, agents and attorneys during normal business hours from 9:00 a.m. until 5:00 p.m., Monday through Friday.

7. PARLIAMENTARY RULES. Roberts Rule of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation, these By-Laws or with the General Statutes of the State of North Carolina.

8. AMENDMENTS TO BY-LAWS. Amendments to these By-Laws shall be proposed and adopted in the following manner:

A. Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors or by members of the Association owning a majority of the aggregate undivided interest in the Common Areas and Facilities, whether meeting as members or by instrument in writing.

B. Upon any amendment to these By-Laws being proposed by said Board of Directors or members, such proposed amendment shall be transmitted to the president of the Association, or other officer of the Association in the absence of the president, who shall thereupon call a special joint meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than ten (10) days nor later than sixty (60) days from receipt

by such officer of the proposed amendment, and it shall be the duty of the secretary to give to each member written notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members as herein set forth.

C. In order for such amendment to become effective, it must be approved by an affirmative vote of a majority of the entire membership of the Board of Directors and by an affirmative vote of members owning at least two-thirds (2/3) of the aggregate undivided interest in the Common Areas and Facilities. (If a larger vote is required by any law or regulation to take or refrain from taking a specific action, no amendment shall be valid until the members owning such larger percentage execute the amending instrument.) Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the president and secretary of the Association and a copy thereof shall be recorded in the Onslow County Registry within ten (10) days from the date on which any amendment has been approved by the Directors and members. No amendment shall be valid unless set forth in an amendment to the Declaration of Condominium and duly recorded in the Onslow County Registry.

D. Upon the approval and proper recording of any amendment, it shall become binding upon all Owners.

E. At any meeting held to consider any amendment to the By-Laws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written notice is delivered to the secretary of the Association at or prior to such meeting.

F. Notwithstanding the foregoing provisions of this Article 8, no amendment to these By-Laws which shall abridge, amend or alter the right of the Developer to designate and select member of each Board of Directors of the Association, as provided in Article 4 hereof, may be adopted or become effective without the prior written consent of the Developer.

9. RULES OF CONDUCT

A. No occupant of any Unit shall post any advertisements or posters of any kind in or on the Common Elements except as authorized by the Association.

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B. Occupants shall exercise extreme care in making noises or in the use of musical instruments, radios, television sets and amplifiers that may disturb other occupants.

C. No keeping of domestic animals shall be permitted.

D. No garbage or trash shall be thrown or deposited outside the disposal installations provided for such purposes.

E. No Owner shall cause any improvements or alterations to be made to the exterior of a Unit, including painting or other decoration, the installation of electrical wiring, television antennae, radio antennae, any other objects, machines or air conditioning units which may protrude through the walls or roof of any Unit, or in any manner alter the appearance of any portion of the exterior surface of any building without the prior written permission of the Board of Directors or a duly appointed architectural control committee. No Owner shall cause any object to be fixed to the Common Elements or to any Limited Common Areas, including the location or construction of fences or the planting or growing of flowers, trees, shrubs or other vegetation, or in any manner change the appearance of the Common Elements or Limited Common Areas without the prior written permission of the Board of Directors or a duly appointed architectural control committee. If an architectural control committee is appointed, its standard of review for structures will be in terms of compatibility with existing structures in style, color, height and texture. For vegetation, the standard of review will be the prevention of visual obstruction and hinderance to maintenance.

F. The Board of Directors shall make all rules and regulations governing the details of the operation and use of the Common Areas and Facilities. They shall handle the receipt of monies and the payment of monies to the Association. They will govern and control the Association.

G. No Owner shall do any work which would jeopardize the soundness or safety of the property or impair any easement or hereditament without, in every such case, the unanimous written consent of all the other Owners affected being first obtained.

Assessments may include a sinking fund for capital improvements. Owners shall be subject to assessment for the Common Expenses by the Board of Directors upon acquiring title to their Unit as provided for in Paragraph XIII of the Declaration.

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Assessments which are unpaid more than thirty (30) days after the due date thereof shall bear interest at a monthly rate of one percent (1%) from said due date until paid in full. Any assessment remaining unpaid more than ninety (90) days after the due date thereof shall constitute a lien upon the delinquent Unit or Units when filed of record in the Office of the Clerk of Superior Court of Onslow County in the manner provided for by Article 8 of Chapter 44 of the General Statutes of North Carolina as amended. The lien for unpaid assessments shall also secure reasonable attorney's fees incident to the collection of such assessments or the enforcement of such lien, the amount of which fees shall be fifteen (15%) percent of the amount of said lien. In any foreclosure of a lien for assessments, the Owner of the Unit subject to such lien shall be required to pay a reasonable daily rental for the use of said Unit, and the manager or Board of Directors shall be entitled to the appointment of a receiver to collect the same. The grantee of any Unit subject to such lien shall be jointly and severally liable with the grantor thereof for all unpaid assessments against the latter up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor any amounts paid by the grantee therefor. However, a grantee may request and shall be entitled to receive a statement from either the manager or Board of Directors setting forth the amount of the unpaid assessments against the grantor, and such grantee then shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth.

H. The Common Expenses and surplus from the sale or use of the property shall be shared by the Owners in the ratios specified in Exhibit "D" of the Declaration as amended from time to time.

I. In the event of any foreclosure as provided in Section 47A-22 of the North Carolina General Statutes, the reasonable daily rental value for Units that have defaulted in their assessment payments is Three Dollars (\$3.00) per one hundred square feet or an amount double the amount of assessment, whichever is less.

J. Pursuant to Section 47A-9 of the North Carolina General Statutes, the Association shall have the irrevocable right, to be exercised by the Board of Directors or its agents, to have access from time to time during reasonable hours of all Units as may be necessary for the maintenance, repair or

replacement of any of the Common Areas and Facilities therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Areas.

K. As used herein, the terms "Owner" and "Occupant" shall include tenants, agents and all other persons in possession of any Unit or part thereof.

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10. COMPLIANCE. These By-Laws are set forth to comply with the requirements of the Unit Ownership Act, Chapter 47A of the General Statutes of the State of North Carolina. In the event that any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of said statute will apply.

The foregoing were adopted as the By-Laws of GUM BRANCH CENTER CONDOMINIUM OWNERS ASSOCIATION, INC., at the first meeting of the Board of Directors on the ___ day of _____, 198__.

Secretary

APPROVED:

President