

Brunswick County--Register of Deeds
Robert J. Robinson
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BY-LAWS

of

BONAPARTH'S RETREAT PROPERTY OWNER'S ASSOCIATION, INC.

A Non-Profit Corporation

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BY-LAWS OF
BONAPARTE'S RETREAT I PROPERTY OWNER'S ASSOCIATION, INC.
A Non-Profit Corporation

ARTICLE 1. NAME AND LOCATION.

The name of this corporation is Bonaparte's Retreat I Property Owner's Association, Inc. Its principal office is located at Calabash, Shallotte Township, Brunswick County, North Carolina.

ARTICLE 2. PURPOSE.

The purpose of this corporation is to conserve the environment and amenities of the residential community known as Bonaparte's Retreat I, to provide for the preservation, maintenance and management of certain common areas located within said community, and to promote the health, safety and welfare of the owners, their licensees and invitees, of said community, all consistent with the provisions of its Certification, these By-Laws and the Declaration of covenants and restrictions hereinafter mentioned, and as a membership corporation no part of whose income or assets shall, at any time, inure to the benefit of or to be distributed to any of its members.

ARTICLE 3. DEFINITIONS.

Section 1. Reservations and Restrictions

"Reservations and Restrictions" as used herein, means those certain restrictions and reservations made the 21st day of May, 1974 and included in the deed to Marjorie Fallon DeRonda and as modified in Book 537 at page 544, by Ocean Side corporation, a corporation organized and existing under the laws of the State of North Carolina, which reservations and restrictions are recorded in the Register of Deed's Office of Brunswick County, North Carolina.

Section 2. Corporation

"Corporation" or "Association", as used herein, means Bonaparte's Retreat I Property Owner's Association, as incorporated in North Carolina, and its successors and assigns, or, upon merger or consolidation with another corporation or corporations, the corporation surviving such merger or resulting from such consolidation.

Section. 3. Other Definitions

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Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning they are defined to have in the Reservations and Restrictions.

ARTICLE 4. MEMBERSHIP.

Section 1. Association Membership

The Association shall have one class of voting membership. Members shall be all owners who shall be entitled to one vote for each assessment. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast per assessment.

Section 2. Membership Certificates

There shall be no membership certificates. The Warranty Deed conveying the lot to an individual owner shall constitute proof and evidence of membership in the Association.

Section 3. Liquidation Rights

In the event of any voluntary or involuntary dissolution of the Association, each Member of the Association shall be entitled to receive out of the assets of the Association available for distribution to the Member an amount equal to that proportion of such assets which the number of eligible votes held by such Member bears to the total number of eligible votes held by all members.

ARTICLE 6. MEETINGS.

Section 1. Place of Meetings

Meetings of the Association shall be held at the principal office or place of business of the Association or at such other suitable place convenient to the membership as may be designated by the Executive Board of the Association.

Section 2. Annual Meetings

The first regular annual meeting of the Members shall be held within Three Hundred Sixty-Five (365) days following the initial organization meeting and adoption of these By-Laws. Thereafter, meetings will be held every three months.

Section 3. Special Meetings

It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Executive Board or upon a petition signed by at least one-third (1/3) of the Members and presented to the

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Secretary.

The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings

It shall be the duty of the Secretary to mail, post paid, a notice of each annual or special meeting stating the purpose thereof as well as the time and place where it is to be held, to each member at his address as it appears in the records of the Association at the time of the mailing at least fifteen (15) but not more than thirty (30) days prior to such meeting.

Section 5. Quorum

The presence, either in person or by proxy, of Members representing at least twenty per cent (20%) of the eligible votes held by the then Members of record shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of Members. If the number of members at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings

If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may, except as otherwise provided by Law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. The quorum required for an such adjourned meeting shall be reduced to fifty percent (50%) of the quorum required at the immediately preceding meeting which failed for lack of a quorum to do business.

Section 7. Voting

Each member shall have a right to cast one vote per assessment, including any special or additional assessments, or increases to existing assessments. All property owners shall have a right to a mail-in vote and a majority decision will be the determining factor.

Section 8. Loss of Right to Vote

The vote of any Member who is shown on the books or records of the Association to be more than sixty (60) days delinquent in any payment due the Association shall not be an eligible vote and shall not be counted for purposes of deciding any question so long as such delinquency is not cured; nor shall such member be eligible to be elected to the Board of Directors.

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Section 9. Proxies

A member may appoint any other member or the Declarant or the Management Agent as his Proxy. Any proxy must be in writing and must be filed with the Secretary in form approved by the Board of Directors before the appointed time of each meeting. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the member. In no case may a member cast, in addition to his own vote, more than one vote as proxy for another member.

Section 10. Order of Business

The order of business at annual meetings of members shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Unfinished business.
- (g) New business.
- (h) Appointment of inspectors of election.
- (i) Election of directors.

In the case of special meetings, items (a) through (e) should be applicable and thereafter the agenda shall consist of the items specified in the notice of meeting.

ARTICLE 7. DIRECTORS

Section. 1. Number and Qualification of Directors

The affairs of the Association shall be governed by a Executive Board composed of at least six (6) and not more than seven (7) persons as determined by resolution of the members.

Section 2. Initial Directors

The names and addresses of the seven (7) initial directors selected by Declarant to act as such until the first or next annual meeting, or until such time as their successors are duly chosen and qualified are:

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Section 3. Responsibility of Duty

The Executive Board's duties shall be: (a) Care, upkeep and maintenance of the common areas and lots in a manner consistent with law and the provisions of these By-Laws and the reservations and restrictions, (b) Determination and collection of annual assessments and special assessments from members by directors and officers, and the maintenance of a roster of assessments and charges applicable to each lot and the enforcement of liens therefore in a manner consistent with law and the provisions of these By-Laws and the reservations and restrictions.

Section 4. Management Agent

The Executive Board may, but need not, employ for the Association a Management Agent (the "Management Agent") at a rate of compensation established by the Executive Board to perform such duties and services as the Executive Board shall from time to time authorize.

Section 5. Election and Term of Office

The term of the Directors named herein and in the Articles of Incorporation shall expire when their successors have been elected at the first or next annual meeting of Members and are duly qualified. At the first or next annual meeting the members shall elect four (4) directors for a term of three (3) years; two (2) directors for a term of two (2) years and one (1) director for a term of one (1) year; and at each annual meeting thereafter the members shall elect director in accordance with the By-Laws.

Section 6. Vacancies

Vacancies in the Executive Board caused by an reason other than the removal of a director by a vote of members shall be filled by the President until a successor is elected by the members at the next annual meeting to serve out the unexpired portion of the term.

Section 7. Removal of Directors

At a regular meeting or at a special meeting duly called for such purpose (but only after the first regular meeting of members as hereinabove provided) any director may be removed without cause by a vote of sixty percent (60%) of the eligible votes entitled to be cast by members, whether or not present and voting thereon. A successor may then and there be elected to fill a vacancy by majority vote of members present and voting thereon in person or by proxy. Any director whose removal has been proposed by members shall be given an opportunity to be at the meeting. The term of a director who is a member and who becomes more

than sixty (6) days delinquent in payment of any assessments or charges due the association or any director who disposes of his lot in Bonaparte's Retreat I shall automatically be terminated and the President shall appoint his successor as provided in Section 6 of this Article 7.

Section 8. Compensation

No compensation shall be paid to Directors for their services as Directors.

Section 9. Organization Meeting

The first meeting of the executive board comprised of officers and directors shall be held within ten (10) days of such election as a place fixed by the president. No notice shall be necessary to the elected officers and directors in order legally to constitute such meeting, provided a majority shall be present.

Section 10. Regular Meetings

Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each Director, personally or by mail to his address as it appears on the records of the Association at the time such notice is mailed or personally delivered, at least six (6) days prior to the day named for such meeting.

Section 11. Special Meetings

Special meetings of the Board of Directors may be called by the President of the Association on three(3) days notice to each director given personally or by mail as hereinabove provided, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice of the written request of at least one-third (1/3) of the Directors.

Section 11A. Annual Budget

An annual budget to be prepared and presented to the members for approval by the executive board.

Any expenditures One Thousand Dollars (\$1,000.00) above the approved budget must be voted upon by the membership at a special meeting of by mail-in vote.

Section 12. Waiver of Notice

Before or at any meeting of the executive board, an director may, in writing, waive notice of such meeting and such waiver shall be deemed the equivalent of the giving of

such notices. Attendance by a director at any meeting of the executive board shall be a waiver of notice by him or her of the time, place and purpose thereof. If all of the directors are present at any meeting of the executive board, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum

At all meetings of the executive board a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the executive board. If at any meeting of the executive board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any resumption of business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Action Without Meeting

Any action taken by the executive board require or permitted to be taken at any meeting may be taken without a meeting if all of the members of the executive board shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the executive board.

Section 15. Fidelity Bonds

The executive board may require that all officers and employees of the Association handling or responsible for Association funds and securities shall furnish adequate fidelity or surety bonds. The premium on such bonds may be paid by the Association.

ARTICLE 8. OFFICERS

Section 1. Designation of Officers

The principal officers of the Association shall be a President, a Vice President, A Secretary and a Treasurer. all of whom shall be elected by the property owners. The President may appoint an assistant secretary and an assistant treasurer and such other as in their judgment may be necessary. The offices of the Secretary and Treasurer may be filled by the same person. All officers so elected must be members in good standing of the Association. In no case shall there be more than seven (7) members of the executive board.

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Section 2. Election of Officers

The officer of the Association shall be elected annually by the property owners at the annual meeting.

Section 3. Removal of Officers

Upon an affirmative vote of a majority of the members of the Executive Board, an officer may be removed with cause, and his successor elected at any regular meeting of the Executive Board called for such purpose.

Section 4. President

The President shall be the Chief Executive Officer of Association. He or she shall preside at all meetings of members and of the Executive Board. He or she shall have all of the general responsibilities which are usually vested in the office of the president of a corporation, including, but not limited to, the authority to appoint special committees from among the membership from time to time as he or she may in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association. His or her vote shall break all ties within the Association.

Section 5. Vice President

The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent.

Section 6. Secretary

The Secretary shall keep the minutes of all meetings of the executive board and the minutes of all meetings of members. He or she shall have custody of the seal of the Association and he or she shall have charge of the Membership transfer books and of such other books and papers as the executive board may direct. He or she shall, in general, perform all of the duties incident to the office of Secretary.

Section 7. Treasurer

The Treasurer shall have responsibility for Association funds and securities and shall be responsible for the keeping of full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Executive Board.

ARTICLE 8. OFFICERS AND DIRECTORS LIABILITY AND INDEMNIFICATION

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Section 1. Liability and Indemnification of Officers and Directors and Former Officers and Directors

The Association shall indemnify every officer or director of the Association and every former officer or director of the Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceedings (including the settlement of any such suit or proceeding if approved by the then Executive Board of the Association) to which he or she may be made a party by reason of being or having been an officer or director of the Association. The officers and directors of the Association shall not be liable to members for any mistake of judgment, negligence or otherwise, except for this own individual willful misconduct or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them in good faith, on behalf of the Association, and the Association shall indemnify and forever hold such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided fort herein shall not be inclusive of any other rights to which any officer or director of the association, or former officer or director of the Association may be entitled.

Section 2. Common or Interested Directors

The Directors shall exercise their responsibilities and duties in good faith and with a view to the interests of the Association. They shall not contract with any individual or corporations that the directors are affiliated with nor may they benefit in any way financially or otherwise from these persons or corporations doing business with or for Association.

ARTICLE 9. MANAGEMENT AND EXPENSES

Section 1. Management and Common Expenses

The Association acting by and through it's officers, shall manage, operate, and maintain the Common Areas of the Subdivision for the benefit of members and the community, shall enforce the provisions of these By-Laws and the Reservations and Restrictions and pursuant thereto shall have the authority to pay:

- (a) All operational expenses of the Common Areas including services furnished,
- (b) The cost of necessary management and administration, including fees paid to any management agent;
- (c) Taxes and assessments levied against the Association or upon any property which it may own or which the Association is otherwise required to pay;
- (d) The cost of fire and extended liability insurance on the Common Areas and the cost of such other insurance as the Association may procure;

(e) The cost of furnishing water, electricity, garbage and trash collection, or other utilities, to the Common Areas;

(f) The cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve or a reserve for replacements;

(g) The cost of repairs, maintenance and replacement of the Common areas; all within the approved line of budget.

Section 2. Easements for Utilities and Related Purposes

The Executive Board is authorized to grant such licenses, easements, or rights-of-way for sewer lines, water lines, electrical cables, telephone and television cables, gas lines, storm drains, underground conduits, easements for slope or such other purposes related the provision of public utilities to the Common Areas as may be considered necessary and appropriate by the Executive Board for the orderly maintenance, preservation and enjoyment of the Common Areas and for the preservation of the health, safety, convenience or welfare of members, their licensees or invitees.

Section 3. Association Rules

There shall be no violation of any rules for the use of the Common Areas or other Association rules, which may from time to time be adopted by the Executive Board and promulgated. Bonaparte's Retreat I Property Owners Association is intended to be a non-profit corporation, organized and existing for the mutual benefit of its members. The officers, directors, representatives, agents and employees shall refrain, to the extent that they may without substantially abandoning or varying from the essential purpose and function of the corporation, from any action or activity which shall prevent or compromise in any way or to any degree such status of the corporation or its right to receive donations which may be tax deductible, or which may jeopardize its status as an organization whose receipts are exempt from income taxation of every kind. To that end, the Executive Board may authorize and direct the diverting or split off of or the disassociation with any activity or projects which may be, or may be in its opinion, susceptible to being construed as a profit making business activity. No activities shall insure to the pecuniary gain of its members or officers and which shall not be authorized to distribute gains, profits, dividends or assets to any such person, but shall be irrevocably dedicated to social, educational charitable or beneficial purposes.

ARTICLE 10. MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year

The fiscal year of the Association and the underlying non-profit corporation shall end on the 31st day of each and every December.

Section 2. Books and Accounts

Books and accounts of association shall be kept under the direction of the Treasurer in accordance with accepted accounting practices. The same shall include books with detailed accounts, in chronological order, of the receipts and of the disbursements of the Association and its administration and shall specify the maintenance and repair expenses of the Common Areas and any other expenses incurred.

An account of any reserves established by the Executive Board, any additions thereto and disbursements thereof, shall also be maintained. That amount of any assessment required for payment of any capital expenditures of the Association shall be credited upon the books of the Association to the "Paid-In-Surplus" account as a capital contribution by members.

All expenses must be a part of a line item budget approved by the membership of the Association.

Section 3. Auditing

At the close of each fiscal year the books and records of the Association shall be inspected by a licensed accountant whose report shall be prepared in accordance with generally accepted financial reporting standards. Based upon such report, the Association shall furnish its members with annual financial statements reflecting the income, expenditures and reserves of the Association and its condition as the close of such fiscal year.

Section 4. Inspection of Books

The books and accounts of the Association shall be available for examination by members or their duly authorized agents or attorneys, and to first mortgagees of record of any Lot or their duly authorized agents or attorneys during normal business hours and for purposes reasonably related to their interest.

Section 5. Execution of Corporate Documents

With the prior authorization of the Executive Board, all notes and contracts shall be executed on behalf of the corporation by either the President or Vice President, and

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all checks shall be executed on behalf of the Association by the President or Treasurer, or such other officers, agents or other person as are from time to time so authorized by the Executive Board so long as it is a part of the approved budget.

Section 6. Seal

The Executive Board shall provide a suitable corporate seal containing the name of the Association; which said seal shall be in the charge of the Secretary. If so directed by the Executive Board, a duplicate seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE 11. AMENDMENTS

These By-Laws may be amended by a vote of sixty per cent (60%) of the eligible votes entitled to be cast by members, at any meeting of members duly called for such purpose. Amendments shall be proposed by the Executive Board or by a petition signed by at least one third (1/3) of members. A description of any proposed amendments shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE 12. CONFLICTS

These By-Laws are subordinate and subject to all provisions of the Reservations and Restrictions. In the event of any conflict between these By-Laws and the Reservations and Restrictions, the provisions of the Reservations and Restrictions shall control.

ARTICLE 13. COMMITTEES

There shall be no standing committees of the Association. The President may, however, from time to time appoint such committees as he or she considers necessary or appropriate from the membership of the Association; each of which shall consist of a Chairman and at least two (2) other members. Any committee so appointed shall serve at the pleasure of the President.

The Executive Board shall consist of at least six (6) but no more than seven (7) members.

There shall be:

A President, a Vice President who shall also be in charge of the Club House, a Recording Secretary, a Treasurer, a Building Director, a Pool Director and a Director at Large.

ARTICLE 14. INTERPRETATIVE PROVISIONS

Section 1. Severability

In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provision hereof which can be given effect.

Section 2. Waiver

No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason or any failure or failures to enforce the same.

Section 3. Captions

The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not to be used to interpret or define the provisions of these By-Laws.

Section 4. Number and Gender

Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse and the use of any gender shall be deemed to include both genders.

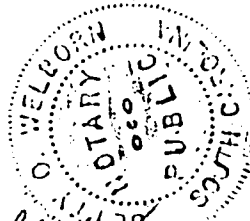
The undersigned, being those persons constituting the Executive Board, acknowledge approval of these By-Laws by affixing their signatures hereto.

Dated this 2nd day of August 1999

<u>Ronald M. Minion</u>	President
<u>Chris Porter</u>	Vice-President
<u>Barry C. Reel</u>	Secretary
<u>Glenda L. Smith</u>	Treasurer
<u>Bruce R. R. R.</u>	Director-at-Large
<u>Lynda L. Bryson</u>	Pool Director

County of Henry
State of SC

Betty D. Wellborn
My Commission Expires Feb 5, 2006



STATE OF NORTH CAROLINA

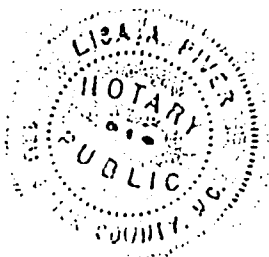
COUNTY OF BRUNSWICK

I, Lisa A. Piver, Notary Public of the County and State aforesaid,
certify that Reginald G. Reeks personally appeared before me this day and acknowledged that he
is Secretary of Bonaparte's Retreat I Property Owner's Association, Inc., a non-profit North
Carolina Corporation, and that by authority duly given and as an act of the corporation, the
foregoing instrument was signed in its name by Donald Mimm, its President,
sealed with its corporate seal and attested by him/her as its Secretary/Treasurer.

WITNESS my hand and official seal, this 7th day of ^{December}~~October~~, 1999.

Lisa A. Piver
Notary Public

My Commission Expires:
11-9-2002



STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of LISA A PIVER

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

This Instrument was filed for Registration on this 17th Day of December, 1999
in the Book and Page shown on the First Page hereof.

Robert J. Robinson
ROBERT J. ROBINSON, Register of Deeds