

**BYLAWS OF
SUNSET OAKS ASSOCIATION, INC.**

**ARTICLE I
NAME**

The name of this corporation shall be Sunset Oaks Association, Inc.

**ARTICLE II
OBJECT**

The object of the Association shall be to govern the planned community named above pursuant to any Declaration over which the Association has authority, Articles of Incorporation, and these Bylaws.

**ARTICLE III
MEMBERS**

Section 1. Membership. Every Owner of a Lot which is subject to a lien for assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot subject to assessment. The voting rights of the Members shall be as provided by the Declaration. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 2. Property Rights. Each Member shall be entitled to the use and enjoyment of the facilities as provided in the Declaration.

Section 3. Assessments. As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made and is also a personal obligation of the owner. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the highest rate allowed by law and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of the assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of the Lot.

Section 4. Suspension of Privileges or Services. The Board may impose reasonable charges for late payment of assessments, not to exceed the greater of twenty dollars (\$20) per month or ten percent (10%) of any assessment installment unpaid, and, after notice and an opportunity to be heard, suspend privileges or services provided by the Association during any period that assessments or other amounts due and owing to the Association remain unpaid for a

period of 30 days or longer. The Board, after notice and an opportunity to be heard, may impose reasonable fines or suspend privileges or services provided by the Association for violations of the Declaration, Bylaws, or rules and regulations. Such hearing shall be held before the Board, and the Lot owner charged shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. If it is decided that a fine should be imposed, a fine not to exceed one hundred dollars (\$100) may be imposed for the violation for each day more than five days after the decision that the violations occurs. Such fines shall be assessments secured by liens. If it is decided that a suspension of privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured.

ARTICLE IV MEETINGS

Section 1. Annual Meetings. A meeting of the Association shall be held annually at a place, date, and time determined by the Board of Directors for the purpose of electing Directors, receiving reports, and transacting such other business as may properly come before it.

Section 2. Special Meetings. Special meetings of the Association may be called by the President, by a majority of the Board of Directors, or by Lot owners having ten percent (10%) of the votes in the Association. The purpose of the meeting shall be stated in the call, and only business mentioned in the call can be transacted at such a meeting.

Section 3. Notice. Not less than 10 nor more than 60 days in advance of any meeting, the secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot owner, or sent by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the Lot owner. The notice of the meeting shall state the time and place of the meeting and the items on the agenda. Waiver by a Member in writing of the notice, signed by the member before or after such meeting, shall be equivalent to the giving of such notice.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the votes in the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws.

In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. The quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 5. Proxies. Votes allocated to a Lot may be cast pursuant to a proxy duly

executed by a Lot owner. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of the Lot. A proxy is void if not dated and terminates 11 months after its date.

Section 5. Virtual Meetings or Electronic Voting. In the discretion of the Board, membership meetings may be held virtually or decisions made by the membership electronically to the fullest extent allowed by law.

ARTICLE V BOARD OF DIRECTORS

Section 1. Composition. The affairs of this Association shall be managed by a Board of five (5) Directors, all of whom shall be a Members or the spouse of a Member of the Association.

Section 2. Term of Office. Directors shall serve staggered three-year terms, such that three (3) Directors are elected in even-numbered years and two (2) Directors elected in odd-numbered years.

Section 3. Powers. Except as restricted by the Declaration or these Bylaws, the Board of Directors shall have power to:

- (a) act in all instances on behalf of the Association;
- (b) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members, and their guests thereon, and to establish penalties for the infraction thereof;
- (c) adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from Lot owners;
- (d) hire and discharge managing agents and other employees, agents, and independent contractors;
- (e) institute, defend, or intervene in litigation or administrative proceedings on matters affecting the Association;
- (f) make contracts and incur liabilities;
- (g) regulate the use, maintenance, repair, replacement, and modification of common areas;
- (h) cause additional improvements to be made as a part of the common areas;
- (i) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than the limited common elements and for services provided to Lot owners;
- (j) impose reasonable charges for late payment of assessments and suspend privileges or services provided by the Association during any period that assessments or other amounts due and owing to the Association remain unpaid for a period of 30 days or longer, as provided in these Bylaws;
- (k) impose reasonable fines or suspend privileges or services provided by the association for reasonable periods for violations of the declaration, bylaws, and rules and regulations of the association, as provided in these Bylaws;

- (l) provide for the indemnification of and maintain liability insurance for its officers, executive board, directors, employees, and agents;
- (m) exercise all other powers that may be exercised in this State by legal entities of the same type as the association; and
- (n) exercise any other powers necessary and proper for the governance and operation of the association.

Section 4. Duties. It shall be the duty of the Board of Directors to:

- (a) within 30 days after adoption of any proposed budget, provide to all Lot owners a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Lot owners to consider ratification of the budget, such meeting to be held not less than 10 nor more than 60 days after mailing of the summary and notice. There is no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting a majority of all the Lot owners in the Association rejects the budget. In the event the proposed budget is rejected, the budget last ratified by the Lot owners shall continue until such time as the Lot owners ratify a subsequent budget proposed by the Board;
- (b) furnish to a Lot owner or the Lot owner's authorized agents a statement setting forth the amount of unpaid assessments and other charges against a Lot. A reasonable charge may be made by the Board for such statement. The statement is binding on the Association, the Board, and every Lot owner;
- (c) maintain, to the extent reasonably available, property insurance on the common elements insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils;
- (d) maintain, to the extent reasonably available, liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements;
- (e) maintain liability insurance for the officers, Board, Directors, employees, and agents; and
- (f) publish the names and addresses of all officers and board members of the Association within 30 days of their election.

Section 5. Removal and Resignation. Any Director may be removed from the Board, with or without cause, by a majority vote of all persons present and entitled to vote at any meeting at which a quorum is present. Any Director may resign at any time by communicating the resignation to the President, the Secretary, or the Board of Directors. A resignation is effective when it is communicated unless the notice specifies a later effective date or subsequent event upon which it will become effective.

Section 6. Vacancies. A vacancy in the Board may be filled by appointment by the Board for the unexpired portion of the term.

Section 7. Compensation. No financial payments, including payments in the form of goods and services, may be made to any Director or to a business, business associate, or relative of a Director, except for services or expenses paid on behalf of the Association which are approved in advance by the Board.

Section 8. Action Taken Without a Meeting. Any action permitted to be taken at a meeting of the Board may be taken without a meeting if the action is taken by all members entitled to vote on the action. The action shall be taken by written consent describing the action taken, signed before or after such action by all members. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. The Board of Directors may appoint a Nominating Committee of three (3) members no later than three months prior to the annual meeting. If appointed, it shall be the duty of this committee to nominate candidates for the Board of Directors to be filled at the annual meeting. The Board shall prescribe the opening and closing dates of a reasonable filing period in which eligible persons may submit their names for consideration. Before the election at the annual meeting, additional nominations from the floor shall be permitted.

Section 2. Election. Directors are elected by a plurality of the votes cast by the members entitled to vote in the election at a meeting at which a quorum is present. Board members shall serve for three years or until their successors are elected, and their term of office shall begin at the close of the annual meeting at which they are elected. Cumulative voting is not permitted.

ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place and with such notice as shall be determined by resolution of a majority of the Directors.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President and shall be called upon the written request of two members of the Board.

Section 3. Quorum. A majority of the membership of the Board shall constitute a quorum.

ARTICLE VIII OFFICERS

Section 1. Officers. The officers of the Association shall be a President and Vice-President, Secretary, and Treasurer (all of whom shall be selected from the Board of Directors) and such other officers as the Board may from time to time by resolution create, who may be selected from outside the Board of Directors.

Section 2. Election of Officers. Officers shall be elected at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers shall be elected to serve for one year or until their successors are elected, and their term of office shall begin at the close of the meeting at which they are elected.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by communicating the resignation to the President, the Secretary, or the Board of Directors. A resignation is effective when it is communicated unless the notice specifies a later effective date or subsequent event upon which it will become effective.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board for the unexpired portion of the term.

Section 6. Duties. The officers shall perform the duties prescribed by these Bylaws and by the parliamentary authority adopted by the Association, specifically including the following:

- (a) President. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, amendments to the declaration, and other written instruments.
- (b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal, if any, of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Association together with their addresses, and shall perform such other duties as required by the Board.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of account; and shall prepare an annual budget and statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members. Any or all of these duties may be shared with any property management company hired by the Association. An audit, compilation, or review of the Association's books and records for the current or immediately preceding fiscal year may be required by a vote of the majority of the Board or by the affirmative vote of a majority of the lot owners present and voting in person or by proxy at any annual meeting or any special meeting duly called for that purpose.

Section 7. Compensation. No financial payments, including payments in the form of goods and services, may be made to any officer or to a business, business associate, or relative of an officer, except for services or expenses paid on behalf of the Association which are approved in advance by the Board.

ARTICLE IX COMMITTEES

Section 1. Architectural Review Board. An Architectural Review Board shall be appointed by the Board. It shall be the duty of this committee to review and approve plans and specifications for improvements, as provided in any Declaration.

Section 2. Nominating Committee. A Nominating Committee may be appointed by the Board as provided in these Bylaws.

Section 3. Other Committees. Such other committees, standing or special, shall be appointed by the President as the Board shall from time to time deem necessary to carry on the work of the Association.

ARTICLE X INDEMNIFICATION

The Association shall have the power to indemnify any present or former Director, officer, employee or agent or any person who has served or is serving in such capacity at the request of the Association with respect to any liability or litigation expense, including reasonable attorney's fees, incurred by any such person to the extent and upon the terms and conditions provided by law.

To the extent provided by law, the Association shall indemnify any and all of its officers and Directors against liability and litigation expense, including reasonable attorneys' fees, arising out of their status as such or their activities in any of the foregoing capacities (excluding, however, liability or litigation expense which any of the foregoing may incur on account of activities which were at the time taken known or believed to be clearly in conflict with the best interests of the Association), and said officers and Directors shall be entitled to recover from the Association, and the Association shall pay, all reasonable costs, expenses, and attorneys' fees in connection with the enforcement of rights to indemnification granted herein.

ARTICLE XI PARLIAMENTARY AUTHORITY

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Association may adopt.

ARTICLE XII AMENDMENT

These Bylaws may be amended at the annual meeting of the Association or a special meeting of the Association called for that purpose by a two-thirds vote of the members present and voting, or in such other manner as may be permitted by law.

ADOPTED 9/30/2021