

BY-LAWS
OF
BAY TREE LAKES PROPERTY OWNERS ASSOCIATION

ARTICLE I

Offices

Section 1. Principal Office. The principal office of the corporation(association) shall be located at Bay Tree Lakes Sales Office, Tomahawk, North Carolina.

Section 2. Registered Office. The registered office of the corporation, which by law is required to be maintained within the State of North Carolina, shall be located at Bay Tree Lakes Sales Office, Tomahawk, North Carolina, or at such other place within the State of North Carolina as may, from time to time, be fixed and determined by the Board of Directors.

ARTICLE II

Members

Membership in the corporation shall be governed by Article III of the Declaration of Covenants and Restrictions for Bay Tree Lakes, and Rules and Regulations for Bay Tree Lakes Property Owners Association, hereinafter referred to as "Rules and Regulations", an instrument recorded in Book 193, at page 215, in the Office of the Register of Deeds of Bladen County, North Carolina.

ARTICLE III

Meetings of Members

Section 1. Annual Meeting. An annual meeting of the members shall be held at the principal office on the second Saturday in April, beginning with the year 1979, at the hour of ten o'clock A.M. for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

Section 2. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these by-laws, a substitute annual meeting may be called in the manner provided for the calling of a special meeting in accordance with the provisions of Section 3 of this Article and a substitute annual meeting so called shall be designated as and shall be treated, for all purposes, as the annual meeting.

Section 3. Special Meetings. Special meetings of the members may be called at any time by the President, or any two members of the Board of Directors, or by any member pursuant to the written request of the holders of not less than one-tenth (1/10) of all the members entitled to vote at the meeting, or by Bay Lakes Corporation so long as it retains status as a member in this corporation.

Section 4. Notice of Meetings. Written or printed notice stating the time and place of a meeting of shareholders shall be delivered, personally or by mail, by or at the direction of the President, the Secretary or other person authorized to call such meeting, to each member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days prior to the date of such meeting. If mailed, such notice shall be directed to each member at the address of such member as set forth in the records of the Corporation except that if any member shall have filed with the Secretary a written request that notices intended for such member be mailed to some other address then all notices to such member shall be mailed to the address designated in such request. A statement of the business to be transacted at an annual or substitute annual meeting need not be set forth in the notice of such meeting except that any matter is to be considered or acted upon, other than the election of directors, on which the vote of members is required under the provisions of the North Carolina Non-Profit Corporation Act, these by-laws or the Rules and Regulations, then a specific statement of the business shall be set forth in such notice. In the case of a special meeting, the notice shall set forth the nature of the business to be transacted. Notice will be considered as having been given in accordance with Article VII, Section 2, of the Rules and Regulations.

Section 5. Quorum. The constitution of a quorum at any meeting of members will be as set forth in Article V, Section 6, of the Rules and Regulations.

Section 6. Voting. The voting rights of members are set forth in Article III, Section 2, of the Rules and Regulations. At a meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Persons holding shares in a fiduciary capacity shall be entitled to vote the shares so held. Voting on all matters, except the election of directors, which will be by secret ballot, shall be by the voice vote or by a show of hands, except that if prior to voting on any particular matter demand shall be made by or on behalf of the holders of not less than one-tenth (1/10) of the shares represented at such meeting that the vote thereon be taken by ballot, then the vote on such matter shall be taken by ballot. Voting by mail is not permitted. With the exception of the election of directors, or as otherwise provided by law or Articles of Incorporation, all matters voted on at any meeting of the members shall be decided by vote of the majority of the voting entitlements present.

Section 7. Informal Action by Members. Informal action may be taken by the members in accordance with the provisions set forth in Article VII, Section 5, of the Rules and Regulations.

ARTICLE IV

Board of Directors

Section 1. General Powers. The affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure, and Qualifications. The number of directors shall be five (5). Each director shall continue in office until the annual meeting of members held next after his election and until his successor shall have been elected and qualified. Directors need not be residents of North Carolina and need not be members of the corporation.

Section 3. Election of Directors. Except as provided in Section 6 of this Article, the directors shall be elected by the members at their annual meeting; and voting entitlements and rights shall be in accordance with Article III, Section 2, of the Rules and Regulations and with Article III, Section 6, of these by-laws. Nominations will be taken from the floor by the presiding officer. Opportunity shall be given to the nominator and nominee to address the members prior to the voting. Those candidates who receive the highest number of votes cast shall be elected, without regard to the presence or absence of an absolute majority.

Section 4. Removal of Directors. Any director may be removed from the Board of Directors by a majority vote of the members. Such removal may be accomplished with or without cause, but the director involved shall be given an opportunity to be present and to be heard at the meeting at which his removal is considered. If any director is so removed, a new director may be elected at the same meeting to fill the un-expired term of the removed director.

Section 5. Vacancies. A vacancy in the Board of Directors created by an increase in the authorized number of directors shall be filled only by election at an annual meeting of members or at a special meeting of members called for that purpose. Any vacancy in the Board of Directors created other than by an increase in the number of directors or by the removal process described in Section 4 of this Article, may be filled by a majority of the remaining directors. The members may elect a director at any time to fill any vacancy not filled by the directors.

Section 6. Compensation of Directors. The Board of Directors may cause the corporation to compensate directors for their services and may provide for the payment by the corporation of all expenses incurred by directors in attending regular and special meetings of the Board, provided such action is approved by a majority vote of the members.

Section 7. Regular Meetings. A regular meeting of the Board of Directors shall be held without any other notice than this by-law immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide, by resolution, the time

and place for holding additional regular meetings without other notice than such resolution. Additional regular meetings shall be held at the principal office of the corporation in the absence of any designation in the resolution.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors, and shall be held at the principal office of the corporation or at such other place as the directors may determine.

Section 9. Notice of Meetings. Notice of any special meeting of the Board of Directors shall be given at least one (1) day previously thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these by-laws.

Section 10. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at any meeting, a majority of the directors present may adjourn the meeting and reschedule a later meeting.

Section 11. Board Decisions. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these by-laws.

Section 12. Informal Action of Directors. Action taken by a majority of the Directors without a meeting shall constitute

Board action if written consent to the action in question is signed by all directors and filed with the minutes of the proceedings of the Board.

ARTICLE V

Officers

Section 1. Number of Officers. The officers of the corporation shall be a president, one or more vice-presidents (the number thereof to be determined by the Board of Directors), a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of this article. The Board of Directors may elect or appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor has been duly elected and qualifies.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the un-expired portion of the term.

Section 5. President. The President shall be the chief executive officer of the corporation, and, subject to instructions of the Board of

Directors, shall have general charge of the business, affairs and property of the corporation and control over its other officers, agents and employees. He shall also act as the presiding officer at all meetings of the members.

Section 6. Vice President. At the request of the President, or in his absence or disability, the Vice President shall perform all 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. If there be more than one (1) Vice President, the Board of Directors shall designate which Vice President will assume the duties of the President during the absence or disability of the President.

Section 7. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors, and shall see that all notices are duly given in accordance with the provisions of these by-laws or as required by law. He shall be the custodian of the records, books, reports, statements, certificates and other documents of the corporation and of the seal of the corporation. In addition to the foregoing, the Secretary shall have such other powers, duties and authority as may be set forth elsewhere in these by-laws and as may be prescribed by the President or Board of Directors from time to time.

Section 8. Treasurer. The Treasurer shall have supervision over the funds, securities, receipts and disbursements of the corporation. He shall keep full and accurate accounts of the finances of the corporation including its assets and liabilities, its properties and business transactions. These accounts shall be maintained in a timely manner and shall be open to inspection by the President and any director at all reasonable times. In addition to the foregoing, the Treasurer shall have such other powers, duties, and authority as may be set forth elsewhere in these by-laws and as may be prescribed by the President or the Board of Directors from time to time.

Section 9. Duties of Officers May Be Delegated. In case of the absence of any officer of the corporation or for any other reason that the Board may deem sufficient, the Board may delegate the powers or duties of such officer to any other officer or to any director for the

time being provided a majority of the entire Board of Directors concurs therein.

Section 10. Compensation of Officers and Determination of Duties. The Board of Directors shall have full authority, subject to other provisions of these by-laws, to prescribe and assign the duties of all corporate officers of this corporation, and to determine the salaries and other entitlements of such officers.

ARTICLE VI

Contracts, Checks, Deposits and Funds

Section 1. Contracts. Except as otherwise provided by law, the Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or may be confined to specific instances.

Section 2. Checks, Drafts or Orders. All checks, drafts, or orders for, the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or Vice President of the corporation.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII

Books and Records

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and any committee and shall keep at the principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE VIII

General Provisions

Section 1. Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

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

Section 3. Waiver of Notice. Whenever any notice is required to be given under the provisions of the North Carolina Business Corporation Act or under the provisions of the charter or by-laws of this corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 4. Amendment of By-Laws. Subject to any other provisions of these by-laws or of the Rules and Regulations concerning amendments, these by-laws may be altered, amended, or repealed and new by-laws may be adopted by a majority vote of the members present at any regular or special meeting, if at least fifteen (15) days written notice is given of intention to alter, amend, or repeal or adopt new by-laws at such meeting.

ADOPTED by the Board of Directors this 28th day of July

1978.

Hugh B. Barwick, Jr.

Wilbert Urquhart

Wilton McBryde Warner, Jr.

Joseph W. Best

Glenda R. Blanton