

BY-LAWS

OF

GOOSE CREEK LANDING, INC.

Information provided by
Jones
CORPORATIONS
REAL ESTATE SERVICES
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ARTICLE I: ASSOCIATION MEMBERS: MEETINGS

Section 1. Members and Voting Rights. Each owner (an "Owner") of the undivided Co-Ownership Interest described in the Joint Tenancy Agreement recorded in the Carteret County Registry (as amended from time to time, the "Agreement") shall be a member of Goose Creek Landing, Inc. (the "Association"). All capitalized terms not otherwise defined herein shall have their defined meanings in the Agreement. The membership of the Association shall consist of all of the Owners of such Co-Ownership Interests. Each Owner shall be entitled to one vote for each Co-Ownership Interest owned by such Owner, but there shall be only one vote allowed per Co-Ownership Interest. There shall be one person with respect to each Co-Ownership Interest who shall be entitled to vote at any meeting of the Association. Such person shall be known as the "voting member." The voting members shall be selected by agreement of the Owners of the affected Co-Ownership Interest, or by the Managing Agent if no agreement is reached among the owners of the individual Co-Ownership Interest.

Section 2. Transfer of Membership. The Association shall not issue stock. Membership of the Association may be transferred only as an incident to the transfer of title to a Co-Ownership Interest as and in the manner provided for by the Agreement and these By-Laws, and, upon the compliance with all of the terms thereof, transfer of membership shall become effective if made in accordance with the foregoing, upon the recordation of a deed of conveyance to the said Co-Ownership Interest, or upon the passing of legal ownership if transfer of ownership is accomplished other than by deed of conveyance.

Section 3. Annual Meeting. Subject to Article XI hereof, the first annual meeting of the Owners shall be held on June 5, 1993, or at such other date prior to December 31, 1993, as established by Declarant. An annual meeting of Owners shall be held each year thereafter, on a date established by the Board of Directors. Should no contrary date be established, and notification given, the annual meeting shall be on the first Saturday of the month of June of each year. The location of the meeting shall be at a designated location within Carteret County, North Carolina. Voting by proxy shall be allowed. A quorum for any Association Owners meeting, regular or special, shall be twenty-five percent (25%) of the Co-Ownership Interests, whether the same shall be present in person or by proxy.

Section 4. Special Meeting. A special meeting of the Owners may be called at any time by the President or by a majority

of the Board of Directors, and shall be held at such place as is designated by the President or a majority of the Board of Directors, and stated in a written notice. No special meeting shall be called unless the Secretary of the Association shall have mailed to or served upon all of the Owners written notice of the said meeting at least fourteen (14) days prior to the date of the meeting. All notices shall be mailed regular United States mail to or served at the address of each Owner as it appears on the books of the Association.

ARTICLE II: DIRECTORS

Section 1. Directors. The initial number of directors of the Association shall be three (3). The number of directors shall be increased to five (5) after one hundred forty (140) Co-Ownership Interests have been sold by the Declarant to third parties, as more fully described in the immediately succeeding Section 2.

Section 2. Selection. Except as hereinafter provided, the directors named in the charter of this Association shall serve until the first annual meeting of the Association, at which time a new Board of Directors shall be elected. Cumulative voting shall be allowed. Directors shall hold office for two years (except for initial directors), and may be re-elected. Nominations shall be opened from the floor, and may supplement any list of candidates prepared by any nominating committee. One of the directors elected at the first annual meeting shall serve for one year, and two for two years, in order for staggered terms to be created. Upon any subsequent enlargement of the Board of Directors, terms shall be established so that the terms of not more than 60% of all directors shall expire at the same time.

Notwithstanding anything to the contrary contained within this Section or within these By-Laws, all directors shall be selected by Declarant until the first annual meeting following the conveyance of titles to any third party of the 140th Co-Ownership Interest. At the next annual meeting, following the 140th conveyance, two (2) directors shall be selected by Owners excluding Declarant, who shall be Owners of Co-Ownership Interest, and the other three (3) directors shall be selected by the Declarant. Directors selected by the Declarant shall not be required to be Owners. At the first annual meeting following conveyance of the 225th Co-Ownership Interest to a third party, all five of the Directors shall be selected by the Owners, and the Declarant shall have the same voting rights with respect to Co-Ownership Interests owned by it as all other Owners have hereunder. Not less than three (3) of the five (5) directors shall be Owners.

Section 3. Removal and Vacancies. After the first annual meeting following conveyance of the 140th Co-Ownership Interest, an officer or director selected by the Owners may be

removed from office upon the affirmative vote of a majority of the Co-Ownership Interests for any reason deemed by the Owners to be in the best interests of the Association. In the event of any removal, resignation or vacancy in any of the offices, the remaining members of the Board of Directors shall elect a person to serve as a successor to the removed, resigned or vacant office, who shall hold office for the balance of the unexpired term, and shall succeed to a membership in the Board of Directors for the same term, provided that if the director to be replaced shall have been selected by the Declarant, then the Declarant shall be entitled to designate a successor director for the remainder of such term. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors, and such election shall be subject to the requirements of Section 2 above.

Section 4. Annual Meetings. The annual meeting of the Board of Directors shall be held at such place in Carteret County, North Carolina, as may be agreed upon by the Board of Directors, and shall be held immediately following the adjournment of the annual meeting of the Owners. The Board of Directors may establish a schedule of regular meetings to be held at such place as the Board of Directors may designate, in which event no notice shall be required to be sent to the said Board of Directors of said regular meetings once said schedule has been adopted.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by the President, and in the President's absence, by the Vice-President, or by a majority of the members of the Board of Directors, by giving seven (7) days notice, in writing or by telephone call, to all of the members of the Board of Directors of the time and place of said meeting, said notice to be given to each member of the Board of Directors by the Secretary of the Association. By unanimous consent of the Board of Directors, a special meeting of the Board of Directors may be held without notice at any time or place. All notices of special meetings shall state the purpose of the meeting.

Section 6. Quorum. A quorum for the transaction of business at any regular or special meeting of the Board of Directors shall consist of a majority of the members of the Board. A majority of those present at any annual, regular or special meeting shall have the power to adjourn the meeting to a future time, provided that written notice of the new time, date and place shall be mailed to or personally served on each member of the Board of Directors by the Secretary of the Association at least seven (7) days prior to the time fixed for said meeting.

Section 7. Compensation. The officers and directors of the Association shall serve without compensation solely for holding such office.

ARTICLE III. OFFICERS: POWERS AND DUTIES

Section 1. The President. The President shall be the Chief Executive Officer of the Association; the President shall preside at all meetings of the Owners and the Board of Directors. The President shall have executive powers and general supervision over the affairs of the Association and other officers. The President shall sign all written contracts of the Association and shall perform and have the powers necessary to perform all of the duties incident to this office and that may be delegated to the President from time to time by the Board of Directors.

Section 2. The Vice-President. The Vice-President shall perform all of the duties of the President in the President's absence and such other duties as may be required of the Vice-President from time to time by the Board of Directors.

Section 3. The Secretary-Treasurer.

(a) The Secretary-Treasurer shall issue notices of all Board of Directors meetings and all meetings of the Owners; the Secretary-Treasurer shall attend and keep the minutes of the same; the Secretary-Treasurer shall have charge of all of the Association's books, records and papers.

(b) The Secretary-Treasurer shall have the custody of the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and the Secretary-Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors.

(c) The Secretary-Treasurer shall disburse the funds of the Association as may be ordered by the Board in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meeting of the Board of Directors, or whenever they may require it, an account of all of the transactions as Treasurer and of the financial condition of the Association.

(d) The Secretary-Treasurer shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

(e) The Secretary-Treasurer shall also give status reports to potential transferee, on which reports the transferee may rely. The liability of the Owners shall continue until the transfers have been approved, and no transferee shall be deemed liable for past due assessments, provided, that any lien on a Co-Ownership Interest shall remain on such Co-Ownership Interest, notwithstanding any such transfer.

Section 4. Division of Responsibilities of Secretary-Treasurer. The office of the Secretary-Treasurer may be divided between two individuals, one Secretary and one Treasurer.

Section 5. Managing Agent. The Managing Agent shall be selected in accordance with the provisions of the Agreement. The Association may elect to change managing agents subsequent to calendar year 1993 (or such earlier date as 225 co-ownership Interests have been conveyed) upon the affirmative vote of a majority of the Owners present at the annual meeting. The Association may not delegate to the Managing Agent the authority to borrow money or to sign conveyances or to encumber property.

Section 6. Bond. All officers or other employees who are authorized to sign checks may be bonded in an amount equal to the total anticipated assessment for a full year, and such bond shall be a common expense of the Association.

Section 7. Selection of Officers. The officers shall be selected by the Board of Directors at the annual meeting of the directors, and may or may not be from the ranks of the directors. Each officer shall serve at the pleasure of the Board of Directors.

Section 8. Qualification of Officers. Subsequent to the conveyance by the Declarant of one hundred forty (140) Co-Ownership Interests, at least two of the officers shall be Owners, provided that the Declarant of any named representative of Declarant may be an officer without being an Owner. No Owner of a Co-Ownership Interest shall be eligible for election as an officer if such Owner is more than fifteen (15) days delinquent in the payment of any assessment. A transfer of title of a Co-Ownership Interest by an officer who is an Owner shall automatically operate as such Owner's resignation as an officer.

Section 9. Committees. The officers may establish any committees, standing or otherwise, consisting of either Owners or non-Owners, charged with those particular areas of responsibilities deemed appropriate by the officers. No standing committee may be created without the approval of the directors.

ARTICLE IV: POWERS OF THE ASSOCIATION.

The Association, acting through the Board of Directors, shall have the following powers:

- (a) to exercise all of the powers specifically set forth in the Agreement and all of the powers incidental thereto;
- (b) to exercise all of the powers specifically set forth in these By-Laws and all of the powers incidental thereto;

(c) to use and expend the assessments collected to carry out the purposes and powers of the Association;

(d) to employ attorneys, accountants and other professionals as the need arises; and

(e) to employ and terminate the employment of workmen, janitors, gardeners, managers and such other agents and employees to carry out the powers of the Association, and to purchase supplies and equipment therefor.

ARTICLE V. FINANCE AND ASSESSMENTS.

Section 1. Depository. The funds of the Association shall be deposited in a bank in Carteret County, North Carolina, designated by the Board of Directors, in an account for the Association under resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by any designated officer(s) or agents of the Association. All notes of the Association shall be signed by any two of the officers of the Association.

Section 2. Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America at such time as the Board of Directors deems it advisable.

Section 3. Determination of Assessments.

(a) The Board of Directors of the Association shall fix and determine from time to time the sum or sums necessary and adequate for the common expenses of the Association. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the Common Property, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, real property taxes, and any other expenses designated as common expense from time to time by the Board of Directors of the Association, including without limitation those established pursuant to the Agreement.

The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments in accordance with the provisions hereof and of the Agreement, and to lease, maintain, repair, and replace the Common Property of the Association. Said assessments shall be payable semiannually, in advance, on the first day of each January or July, or at such other times as the Board of Directors shall determine.

Special assessments, should they be required by the Board of Directors, shall be levied and paid in accordance with the provisions of the Agreement. All assessments shall be charged in proportion, and in accordance with the procedures, set out therein and herein.

(b) When the Board of Directors has determined the amount of any special assessment, the Managing Agent of the Association shall mail or present a statement of the assessment to each of the Owners of Co-Ownership Interests obligated to pay such assessment in accordance with the Agreement. All assessments shall be payable to the Managing Agent on behalf of the Association, and upon request, the Managing Agent shall give a receipt for each payment made to him.

(c) The Board of Directors, in preparing its annual budget, is expressly directed to establish a capital improvement and repair fund for utilization by the Association in the maintenance, improvement and repair of the Common Property. It is expressly understood that special assessments can be made by the Board of Directors for capital improvements or repairs, said special assessments to be in addition, if necessary, to the capital improvements fund set out herein. The Managing Agent shall have as one of its responsibilities the preparation of a proposed budget for adoption by the Board of Directors.

Section 4. Delinquent Assessments. In the event an assessment is not paid within thirty (30) days of the date it is due and payable, the Association, through its Board of Directors, may proceed to enforce and collect the said assessment, plus a late fee of five percent (5%), against the Owner owning the same in any manner allowed by North Carolina law, or as allowed by the Agreement or these By-Laws.

Section 5. Collection and Enforcement. In connection with any assessment, the Association shall have all of the powers, rights, privileges and legal remedies provided for by the Agreement and North Carolina law concerning collection and enforcement. Further, in this connection, each Owner of Co-Ownership Interest shall be liable for such Owner's assessment in the same manner provided for by the Agreement, and shall likewise be responsible for reasonable attorney's fees, interest and costs incurred by the Association incident to the collection of such assessment or enforcement of any lien held by the Association for unpaid assessments.

Section 6. Foreclosure. Where the mortgagee of a first mortgage of record or other purchaser of a Co-Ownership Interest obtains title to a Co-Ownership Interest as a result of foreclosure of a first mortgage such purchaser, including his successors and assigns, shall not be liable for the share of the common expense or assessments by the Association chargeable to such Co-Ownership

Interest which became due prior to the acquisition of title to such Co-Ownership Interest by such purchaser. Such unpaid share shall be deemed to be a common expense of the Association.

ARTICLE VI: VIOLATIONS

In the event of a violation (other than the nonpayment of an assessment) by an Owner of any of the provisions of the Agreement, these By-Laws or any other rules of the Association, the Association, by direction of its Board of Directors, either itself or through the Managing Agent, may notify the Owner of such by written notice, sent registered or certified mail, return receipt requested, and if such violation shall continue for a period of ten (10) days from the date of such notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Agreement, the By-Laws, or the rules of the Association, as the case may be, and the Association may then, at its option, have the following elections: (i) an action at law to recover for its damages on behalf of the Association or on behalf of the other Owners; (ii) an action in equity to enforce performance on the part of the Owner; or (iii) an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief. Failure on the part of the Association to maintain such an action at law or in equity within forty-five (45) days from date of a written request, signed by an Owner, sent to the Board of Directors, shall authorize any Owner to bring an action in equity or suit at law on account of the violation, in the manner provided for by North Carolina law. Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter.

ARTICLE VII: NOTICE

Except as otherwise provided herein, whenever notices are required to be sent hereunder, the same shall be sent to the Owners by the United States Mail, at the address listed with the Association. All notices to the Association shall be sent to the mailing address designated by the Board of Directors as their address for notices. All notices shall be deemed and considered sent when mailed. Any party may reserve the right to change the place of notice to him or it by written notice, in accordance with the terms and provisions of this Article. Each Owner shall keep on record with the Association a current mailing address and shall notify the Association of any change therein.

ARTICLE VIII: AMENDMENTS TO BY-LAWS

These By-Laws may be amended, upon recommendation of a majority vote of the Board of Directors of the Association, upon affirmative vote of the holders of a majority of Co-Ownership Interest in the Property. However, no amendment shall be valid

until conveyance of two hundred twenty-five (225) Co-Ownership Interest without the written consent of Declarant. Furthermore, no amendment may be adopted which would be in conflict with any provision of the Joint Tenancy Agreement.

ARTICLE IX: ADMINISTRATION

Notwithstanding anything contained in these By-Laws to the contrary, the Declarant or its assigns shall be responsible for the administration of the Association until such time as the first annual meeting of the Owners. The Declarant shall designate the date, and give notice, of the first annual meeting of the Association, if such first annual meeting is to be held at a time other than as set out in Article I, Section 3, of these By-Laws. Furthermore, notwithstanding anything to the contrary herein, these By-Laws may only be amended upon the written consent of the Declarant until such time as the Declarant has transferred title to more than two hundred twenty-five (225) Co-Ownership Interests to third parties.

ARTICLE X. RENTAL.

Section 1. Until these By-Laws are amended, no mobile home on any Space shall be rented to any third party except by Declarant.

Section 2. Each Owner shall be responsible for the conduct for all of such Owner's family members, invitees, guests and renters. Each Owner, by purchasing his Co-Ownership Interest, agrees to give to the Association the right to evict any tenant whose conduct is found detrimental to the Association and its members, in whole or in part. Such eviction shall only be taken after notification to the Owner, and the Owner shall, upon being given such notification, commence eviction proceedings within one week of receiving the notice requesting the same from the Association. The Association may then, acting in its own behalf or for the Owner, after failure of the Owner to act within this seven day period, commence eviction proceedings. The expenses of said proceeding shall be chargeable as an assessment to the Owner of the Co-Ownership Interest, and such assessment may be collected as a delinquent assessment under Article V unless paid within thirty (30) days of billing.

ARTICLE XI. DECLARANT'S DUTY

The Declarant reserves the right to maintain and Administer control of the Association, and to postpone the holding of the first annual meeting, and the election of directors and officers by Owners, until such time as at least one hundred twenty (120) Co-Ownership Interests have been conveyed.

APPROVED AND DECLARED AS BY-LAWS OF
GOOSE CREEK LANDING, INC.

BY: Ronald L. Smith
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