

BY-LAWS
OF
HARBOR LANDING HOMEOWNERS ASSOCIATION INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is HARBOR LANDING Homeowners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1010 Buck Jones Road, Raleigh, North Carolina, but meetings of Members and Directors may be held at such places within the state of North Carolina, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. The definitions for "Association", "Declarant", "Owner", "Property", "Tract", "Common Property", and "Dwelling Unit", shall be defined pursuant to the terms and conditions of the definitions as set forth in article 1 of the Declarations Of Covenants, Conditions, and Restrictions of HARBOR LANDING Subdivision, and Homeowners Association as set forth in Book 685, Page 60 And Book 685, Page 67 in the Office of the Register of Deeds for Warren County, North Carolina, the terms and conditions of which are incorporated herein and by reference.

Section 2. Members shall mean and refer to those persons or entities entitled to Membership with voting rights as provided in the declaration and Article III, Section 1, of these By-Laws.

ARTICLE III

MEMBERSHIP AND PROPERTY RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to the Declaration and assessments 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, and may not be assigned. If and when the Declarant develops additional sections to HARBOR LANDING Subdivision, the Owners of those Lots shall be Members of the Association. The Owner of a Lot or tract shall be a Member of the Association.

Section 2. Voting Rights. The Association shall have two classes of voting Membership:

Class A. Class A members shall be all Owners with the exception of Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person owns an interest in a Lot, all such persons shall be Members. The vote of 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.

Class B. Class B members shall be the Declarant, who shall be entitled to a number of votes equal to the number of votes of all Class A members plus one (1), so that the Declarant will have a number of votes which shall constitute a majority of the total votes of all members of the Association.

The class the memberships shall cease and terminate and be converted to Class A membership in the happening of either of the following events, whichever occurs earlier:

a) December 31, 2009; or

b) At such time as Declarant voluntarily relinquishes his majority control of the Association by instrument duly recorded in the Warren County Public Registry.

Section 3. Property Rights. Each Member shall be entitled to the use and enjoyment of the Common Property and Common Areas as provided in the Declaration.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Annual Meeting. The regular annual meeting of the Members shall be held between January 1, and December 31 of each year at a time and place as specified and approved by the Board of Directors. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time at the request of the President of the Association or by any two Directors.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. Waiver by a Member in writing of the notice required herein, signed by him before 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, fifty-one percent (51%) of the votes of Membership shall constitute a quorum for any action except as otherwise provided in the articles of incorporation, the declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meeting of Members, each Member may vote in person or by proxy. All proxies shall be submitted in advance of a scheduled meeting. Proxies

shall be submitted in writing (via US Mail or fax) or submitted electronically (via email or HARBOR LANDING website) and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his a Lot.

ARTICLE V

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors, except as otherwise expressly provided by law, the articles of incorporation, the Declarant, or these By-Laws, all with the power of the Corporation shall be vested in the Board of Directors.

Section 2. Number, Term, and Qualifications. The number of Directors constituting the Board shall be five (5). Each Director shall hold office until his death, resignation, retirement, removal, disqualification, or his successors shall have been elected and qualified. Directors need not be residents of the state of North Carolina.

Section 3. Removal. The Declarant or its successors and assigns may remove any Director, with or without cause until December 31, 2009. Thereafter, any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successors shall be selected by the remaining Members of the board, and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Directors shall receive compensation for any service he may render to the Association as a Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting. The Directors shall have the right to take any action in the absence of a meeting which they can take at a meeting by obtaining the written approval of all the Directors. Any actions so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

THE NOMINATION AND ELECTION OF DIRECTORS

The Election And Nomination. The Declarant, its successors or assigns, shall have the right to appoint or remove any Member or Members of the Board of Directors or any officer or officers of the Association until December 31, 2009. Thereafter, election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted. After December 31, 2009, nominations for elections to the Board of Directors shall be made by a nominating committee. Nominations for elections to the Board may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determined but not less than the number of vacancies that are to be filled. Such nominations may be made among Members or

non-Members.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually, or at such other periodic intervals as may be established by the Board of Directors from time to time, without notice, at such place an hour as may be fixed from time to time by resolution of the board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any three (3) Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- a) Adopt and published rules and regulations governing the use of the Common Area, and the personal conduct of the Members, and their guests thereon;
- b) Suspend the voting rights and any other rights of a Member during any period in which such Member shall be in default in the payment of any assessment, dues or charge levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association, and not reserved to the Membership by other provisions of these By-Laws, the articles of incorporation, or the declaration;
- d) Declare the office of a Member of the Board of Directors to be vacant in the event such a Member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- e) Employ a manager, an independent contractor, or such other employees as they deemed necessary, to prescribe their duties; and
- f) Employee attorneys to represent the Association when deemed necessary.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- a) Cause to be kept a complete record of all its acts and corporate affairs and present of a statement thereof to the Members at the annual meeting of the Members, or any special meeting when such statement is requested in writing by one fourth (1/4) of the Class A Members who are entitled to vote;
- b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c) As more fully provided in the declaration, to:
- 1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance the each annual assessment period;
 - 2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each assessment period; and
 - 3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.
- d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of the certificates. If a certificate states and assessment has been paid, such certificate shall be conclusive evidence of such payments;
- e) Procure and maintain adequate liability insurance covering the Association, its directors, officers, agents, and employees and to procure and maintain adequate hazard insurance on any real and personal property owned by the Association;
- f) Calls all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- g) Cause the common areas to be maintained.

Section 3. Personal Liability. Personal liability for all Directors for monetary damages arising out of an action or actions, whether by or in the right of the Corporation or otherwise for breach for any duty as a Director is eliminated except respect to acts, omissions, liabilities and or transactions described and defined in North Carolina General Statutes Section 55A-2-02(b) (4) (i), (ii), (iii), and (iv).

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be a Member of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time appoint a resolution.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. They Declarant, its successors or assigns, shall have the right to appoint or remove any officer or office servers of the Association until December 31, 2009. Thereafter, the

appointment or removal of any officer or officers of the Association shall be made by the Board of Directors.

Section 3. Term. The officers of this Association shall be elected annually by the board and each shall hold office for one (1) year unless he shall so to resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers says the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without calls by the board. Any officer may resign at any time by giving written notice to the board, the President or the Secretary. Such resignation shall take effect on the date and receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the board. The officer appointed to such vacancies shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to section 4 of this article.

Section 8. Duties. The Duties Of The Officers Are As Follows:

President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, disability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

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 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.

Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disperse such funds as directed by resolution of the Board of Directors; shall authorize payment of all checks and co-signed promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and statement of income and expenditures to be presented to the Members at its annual meeting and deliver a copy of each to the Members.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The declaration, the articles of incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI

CORPORATE SEAL

The Association shall have a corporate seal in circular form having within its circumference the words: HARBOR LANDING Homeowners Association, Inc., Warren County, North Carolina.

Certification

I, the undersigned, do hereby certify:

That I am duly elected and acting secretary of the HARBOR LANDING Homeowners Association, Inc., a North Carolina Corporation, and

That the foregoing By-Laws constitute the original By-Laws of said Association and was duly adopted at a meeting of the Board of Directors thereof, held on the 13th day of December, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affix the seal of said Association this January 6, 2000.

Secretary