

BY-LAWSOFSEVEN SISTERS PROPERTY OWNERS ASSOCIATIONARTICLE I. OFFICES

The principal office of the corporation in the State of North Carolina shall be located in the Town of Nags Head, Dare County, North Carolina. The corporation may have such other offices, either within or without the State of North Carolina, as the Board of Directors may designate or as the business of the corporation may require from time to time.

ARTICLE II. MEMBERS

1. Membership. Every person or entity who is a record owner of a fee simple interest in any lot as depicted on a plat of Seven Sisters, Plat Cabinet D, Slide 48, Dare County Registry shall be a member of the corporation; provided, however, that any such person or entity to hold such interest merely as a security for the performance of an obligation shall not be a member. The requirement of membership shall not apply to any mortgagee or trustee beneficiary acquiring title by foreclosure or otherwise pursuant to the mortgage or deed of trust instrument.

2. Annual Meeting. Regular Meetings in the month of November shall be convened annually by the president of the Association.

3. Special Meetings. Special meeting of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President at the request of the holders of not less than 50 per

cent of all the Members of the corporation entitled to vote at the meeting.

4. Place of Meeting. The Board of Directors may designate any place, either within or without the State of North Carolina unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place, either within or without the State of North Carolina, unless otherwise prescribed by statute, as the place for the holding of such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation in the State of North Carolina.

5. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of special meeting, the purpose or purposes for which the meeting is called, shall unless otherwise prescribed by statute, be delivered not less than three nor more than ten days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the membership books of the corporation, with postage thereon prepaid.

6. Quorum. At any meeting of membership, fifty-one per cent (51%) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members.

7. Proxies. At all meeting of membership, a member may vote in person or by proxy

executed in writing by member or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting.

8. Voting. The Association shall have one class of voting membership and members shall be entitled to one vote for each lot in which they hold an interest required for membership by Article II. When more than one (1) person or entity holds such an interest in any lot, all such persons shall be members and the vote for such lot shall be exercised as they among themselves determine and such persons shall designate one (1) person to vote for their lot, but in no event shall more than one vote be cast with respect to any such lot.

9. Order of Business. The order of business at all meetings of the members, shall be as follows:

1. Roll Call.
2. Proof of notice of meeting or waiver of notice.
3. Reading of minutes of preceding meeting.
4. Reports of Officers.
5. Reports of Committees.
6. Election of Directors.
7. Unfinished Business.
8. New Business.

10. Informal Action By Members. Unless otherwise provided by law, any action required to be taken at a meeting of the members, or any other action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the

action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

ARTICLE III. BOARD OF DIRECTORS

1. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors. The directors shall in all cases act as a board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the corporation, as they may deem proper, not inconsistent with these by-laws and the laws of this State.

2. Number, Tenure and Qualifications. The number of directors of the corporation shall be four. Each director shall hold office until the next annual meeting of members and until his successor shall have been elected and qualified.

3. Regular Meetings. A regular meeting of the Board of Directors shall be held without 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 the holding of additional regular meetings without other notice than such resolution.

4. Special Meetings. Special meeting of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place for holding any special meeting of the Board of Directors called by them.

5. Notice. Notice of any special meeting shall be given at least three days previously thereto by written notice delivered personally or mailed to each director at this business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the

United States mail so addressed, with postage thereon prepaid. If notice be 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 a 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.

6. Quorum. At any meeting of the directors fifty-one per cent (51%) shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

7. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

8. Action Without A Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the Directors.

9. Removal of Directors. Any or all of the directors may be removed for cause by vote of the members or by action of the board. Directors may be removed without cause only by vote of the members.

10. Resignation. A director may resign at any time by giving written notice to the board, the president or the secretary of the corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the board or such officer, and the

acceptance of the resignation shall not be necessary to make it effective.

11. Compensation. No compensation shall be paid to directors, as such, for their services. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation thereof.

12. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

13. Executive and Other Committees The board, by resolution, any designate from among its members an executive committee and other committees, each consisting of three or more directors. Each such committee shall serve at the pleasure of the board.

ARTICLE IV. OFFICERS

1. Number. The officers of the corporation shall be a President, a Vice-President, a Secretary and a Treasurer, each of whom shall be elected by the directors. The members shall recommend the officers which recommendation shall be considered by the directors, but such recommendation shall not be binding. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the directors.

2. Election and Term of Office. The officers of the corporation to be elected by the

directors shall be elected annually by the directors at the first meeting of the directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

3. Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment, the best interest of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

4. Vacancies. A vacancy in the office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

5. President. The President shall be the principal executive officer of the corporation and, subject to the control of the directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the shareholders and of the directors. He may sign certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the directors by these By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed

by the directors from time to time.

6. Vice-President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President shall perform 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. The Vice-President shall have the authority to sign checks on behalf of the corporation. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the directors.

7. Secretary. The Secretary shall keep the minutes of the proceedings of the members and of the directors in one or more books provided for that purpose see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law be custodian of the corporate records and keep a register of the post office address of each member which shall be furnished to the secretary by such member and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the directors.

8. Treasurer. If required by the directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety of sureties as the directors shall determine. He shall have share and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with these by-laws and in general perform all of the duties incident to the office of treasurer and such other duties as from

time to time may be assigned to him by the president or by the directors.

9. Salaries. The salaries of the officers shall be fixed from time to time by the directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE V. CONTRACTS, LOANS, CHECKS AND DEPOSITS

1. Contracts. The directors may authorize any officer or officers, agent or agents, 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 confined to specific instances.

2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

3. Checks, drafts, etc. All checks, drafts or other 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 directors.

4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositaries as the directors may select.

ARTICLE VI. FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January, and end on the 31st day of December in each year.

ARTICLE VII. WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any member or director of the corporation under the provisions of these By-Laws or under the provisions of the articles of incorporation or under the provisions of the Business Corporation Act, 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.

ARTICLE VIII. AMENDMENTS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a vote of the member representing a majority of all members at any annual membership meeting or at any special membership meeting when the proposed amendment has been set out in the notice of such meeting.

Adopted at the annual meeting of the members on November 24, 2000.

President

STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, a Notary Public for the State and County aforesaid, certify that _____, personally came before me this day and acknowledged that he/she is President of Severn Sisters Property Owners Association, a non-profit corporation, and that he/she, as President being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the _____ day of _____, 2000.

[Place Notary Seal Below]

Notary Public

My Commission expires: _____

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Unless otherwise provided by law, whenever any notice is required to be given to any member or director of the corporation under the provisions of these By-Laws or under the provisions of the articles of incorporation or under the provisions of the Business Corporation Act, 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.

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President

Attest:

Secretary