

**Bylaws
of
SeaScape at Holden Plantation
Property Owners Association, Inc.**

ARTICLE I

Name and Principal Office

These are the Bylaws of SeaScape at Holden Plantation Property Owners Association, Inc., a nonprofit corporation organized under the laws of the State of North Carolina (the "Association"). The principal office of the corporation shall be located at 131 Ocean Boulevard West, Holden Beach, Brunswick County, North Carolina 28462.

ARTICLE II

Definitions

The following terms, as used in these Bylaws, shall have the following meanings:

(a) Articles of Incorporation shall mean and refer to the Articles of Incorporation of the Association, as filed in the office of the Secretary of State of North Carolina on December 10, 1999, as the same may be amended from time to time.

(b) "Declarant" shall mean and refer, collectively, to SeaScape at Holden Plantation, Inc., a North Carolina corporation, and its successors and assigns as provided in the Master Declaration.

(c) "Development" shall mean and refer to the property now or hereafter made subject to the provisions of the Master Declaration in accordance with the provisions thereof.

(d) "Master Declaration" shall mean and refer to the Master Declaration of Covenants, Conditions, Restrictions and Easements recorded in Book 1347, Page 274, in the Brunswick County Registry, as the same may be amended.

(e) "Owner" shall mean and refer to the owner(s) (including Declarant) of real property in the Development, as more particularly provided in the Master Declaration, but shall not include a person having an interest in such property solely as security for an obligation.

ARTICLE III

Membership and Voting; Rights in Common Elements

Section 1. Membership and Voting Rights. As provided in the Articles of Incorporation and in the Master Declaration, every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from an Owner's real property in the Development. The Members of the Association shall be entitled to vote on matters for which such a vote is required by the North Carolina Planned Community Act, the Articles of Incorporation or the Master Declaration. The votes allocated to each property shall be as provided in the Articles of Incorporation and the Master Declaration.

Section 2. Co-Owners. If a property is owned by two or more co-owners and only one of the co-owners is present at a meeting of the Owners, the co-owner who is present is entitled to cast all the votes allocated to that property. If more than one of the co-owners are present, the votes allocated to that property may be cast only in accordance with the agreement of a majority in interest of the multiple co-owners. Majority agreement is conclusively presumed if any one of the co-owners casts the votes allocated to that property without protest being made promptly to the person presiding over the meeting by any of the other co-owners of the property.

Section 3. Proxies. Votes allocated to a property in the Development may be cast pursuant to a proxy duly executed by the Owner. If a property is owned by two or more co-owners, each co-owner may vote or register protest to the casting of votes by the other co-owners of the property through a duly executed proxy. An Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term, and in any event a proxy shall automatically terminate upon conveyance of such property.

Section 4. Rights in Common Elements. Each Owner shall be entitled to the use and enjoyment of the Common Elements (as defined in the Master Declaration), subject to the provisions of the Master Declaration, these Bylaws, and rules and regulations adopted by the Executive Board of the Association.

ARTICLE IV

Meetings of Owners

Section 1. Annual Meetings. An annual meeting of the Owners shall be held at such time and place as the Executive Board may determine. The purpose of the annual meeting shall be to review the annual budget of the Association and for such other purposes specified in these Bylaws or as may be determined by the Executive Board.

Section 2. Special Meetings. Special meetings of the Owners may be called at any time by the President or by the Executive Board, or upon written request of Owners having ten percent (10%) of the votes entitled to be cast.

Section 3. Location of Meetings. Meetings of Owners shall be held at such places within Brunswick County, North Carolina, as designated by the Executive Board.

Section 4. Notice of Meetings. Written notice of each meeting of the Owners 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, not less than ten (10) nor more than sixty (60) days before such meeting to each Owner, addressed to the Owner's address last appearing on the books of the Association, or supplied by such Owner 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 an Owner in writing of the notice required herein, signed before or after such meeting, shall be equivalent to the giving of such notice.

Section 5. Quorum. The presence at the meeting of Owners entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of all the Owners shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Master Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Owners 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 be represented. The joinder of an Owner in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purposes of determining a quorum.

ARTICLE V

Executive Board

Section 1. Number. The affairs of the Association shall be managed under the direction of an Executive Board consisting of not less than three (3) nor more than five (5) natural persons, who need not be Members of the Association (members of the Executive Board are sometimes referred to herein as "Executive Board members" or as "directors"). The number of directors on the Executive Board may be fixed or changed from time to time, within the minimum and maximum specified above, by the Executive Board. The initial Executive Board shall consist of three (3) persons as designated in the Articles of Incorporation. Members of the Executive Board need not be Owners.

Section 2. Term of Office. Directors shall hold office for a period of one (1) year or until their successors are appointed or elected.

Section 3. Removal. Any director, other than those appointed by the Declarant, may be removed from the Executive Board, with or without cause, by a majority vote of the Owners.

Section 4. Compensation. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual and reasonable expenses incurred in the performance of such director's duties.

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

ARTICLE VI

Appointment and Election of Executive Board

Section 1. Declarant's Right to Appoint Executive Board. As provided in the Articles of Incorporation of the Association and in the Master Declaration, until December 31, 2020 Declarant shall have the right to appoint the members of the Executive Board of the Association, unless such right is waived in writing by Declarant.

Section 2. Appointment of Directors by Declarant. During such time as Declarant has the right to appoint the Executive Board, as provided in the Articles of Incorporation and the Master Declaration, such appointments shall be conducted in the following manner:

(a) Declarant shall appoint the directors by written instrument presented at the first annual meeting and at each subsequent annual meeting of the Owners. The individuals so appointed by Declarant shall be deemed and considered for all purposes directors of the Association, and shall thenceforth perform the offices and duties of such directors until their successors shall have been appointed or elected in accordance with the provisions of these Bylaws.

(b) In the event that Declarant shall fail to appoint directors at any annual meeting, as provided above, the directors previously appointed by Declarant shall continue as directors until their successors shall have been appointed or elected in accordance with the provisions of these Bylaws.

(c) Declarant shall have the absolute right at any time, in its sole discretion, to replace any person or persons that it has appointed to the Executive Board. Replacement of any director appointed by Declarant shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name of each person to be replaced and the name of the person appointed as successor to each persons so removed. The removal of any director and appointment of a successor shall be effective immediately upon delivery of such written instrument by Declarant to any officer of the Association.

Section 3. Nomination and Election of Directors by Owners. At such time as Declarant shall not have the right to appoint the Executive Board, the nomination and election of directors by the Owners shall be conducted in the following manner:

(a) Nomination for election to the Executive Board shall be made by a Nominating Committee appointed by the Executive Board. Nominations 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 Executive Board, and two (2) or more

Owners. The Nominating Committee shall make as many nominations for election to the Executive Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Owners or non-Owners.

(b) Election to the Executive Board shall be by written ballot. At such election the Owners or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Master Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 4. Vacancies. During such time as Declarant has the right to appoint the Executive Board, any vacancy on the Executive Board shall be filled by Declarant by written instrument delivered to any officer of the Association appointing a successor. At such time as Declarant shall not have the right to appoint the Executive Board, vacancies on the Executive Board may be filled until the date of the next annual meeting by the affirmative vote of a majority of the directors, or by the sole director, remaining in office.

ARTICLE VII

Meetings of Executive Board

Section 1. Regular Meetings. Regular meetings of the Executive Board 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 Executive Board shall be held when called by the President of the Association, or by any two directors, with not less than three (3) days notice to each director.

Section 3. Location of Meetings. Meetings of the Executive Board shall be held at such places within Brunswick County, North Carolina, as may be designated by the Executive Board or the officer(s) calling the meeting.

Section 4. 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 Executive Board. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

Section 5. Waiver of Notice. Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

ARTICLE VIII

Powers and Duties of the Executive Board

Section 1. Powers. The Executive Board shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Elements and improvements thereon, and the personal conduct of Owners and their guests thereon, and to establish penalties, including reasonable fines, for the infraction thereof;
- (b) suspend the voting rights of an Owner during any period in which such Owner shall be in default in the payment of any assessment, dues, fine 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 the Association and not reserved to the Owners by other provisions of the Articles of Incorporation, the Master Declaration or these Bylaws;
- (d) declare the office of a member of the Executive Board, other than a director selected by Declarant, to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Executive Board;
- (e) employ or contract for the services of a manager and delegate to such manager any or all of the powers and duties of the Association, except those which may be required by the Master Declaration to have approval of the Executive Board or the Owners; provided that any such management contract shall not exceed a term of one (1) year from its effective date (but may be renewed by agreement of the parties for successive one year periods) and shall be terminable upon not more than ninety (90) days written notice without cause; and
- (f) engage attorneys to represent the Association when deemed necessary.

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

- (a) cause to be kept a record of all meetings and actions of the Executive Board;
- (b) supervise all officers and agents of the Association, and to see that their duties are properly performed;
- (c) adopt an annual budget for the Association;
- (d) as more fully provided in the Master Declaration:

(1) fix the amount of the annual assessment (maximum and actual) against each type of property;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the due date; and

(3) take such steps as the Executive Board shall deem appropriate to foreclose the lien against any property for which assessments are not paid or bring an action at law against the Owner personally obligated to pay the same;

(e) issue, or 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 Executive Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(f) procure and maintain appropriate insurance covering the Association, its directors, officers, agents and employees and procure and maintain adequate hazard insurance on the real and personal property owned by the Association;

(g) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(h) cause the Common Elements to be maintained as set forth in the Master Declaration.

ARTICLE IX

Officers and Their Duties

Section 1. Enumeration of Offices. The officers of this Association shall be a President and one Vice President, who shall at all times be members of the Executive Board, a Secretary and a Treasurer, and such other officers as the Executive Board may from time to time by resolution create, including assistant vice presidents who need not be members of the Executive Board.

Section 2. Appointment of Officers. The officers of the Association shall be appointed by the Executive Board. The appointment of officers shall take place at the first meeting of the Executive Board following each annual meeting of the Owners.

Section 3. Term. The officers of the Association shall hold office for one (1) year unless they shall sooner resign or be removed, or until their successors are appointed.

Section 4. Special Appointments. The Executive Board may appoint such other officers as 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 Executive Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Executive Board. Any officer may resign at any time by giving written notice to the Executive Board, the president or secretary. Such resignation shall take effect on the date of 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 Executive Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. Duties. The duties of the officers are as follows:

(a) President. The president shall be the chief executive officer of the Association; shall preside at all meetings of the Executive Board; shall see that orders and resolutions of the Executive Board are carried out; may sign all leases, mortgages, deeds and other written instruments and shall sign all checks and promissory notes.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of the absence, inability or refusal to act of the president; may, together with the secretary or assistant secretary, sign leases, mortgages, deeds and other instruments of conveyance; and shall exercise and discharge such other duties as may be required by the Executive Board.

(c) Secretary and Assistant Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Executive Board and of the Owners; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Executive Board and of the Association, and perform such other duties as required by the Executive Board. The assistant secretary shall assist the secretary and act in the place and stead of the secretary in the event of the absence of the secretary.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the Executive Board; sign checks and promissory notes of the Association; keep proper books of account; and prepare a statement of income and expenditures to be presented to the Owners at the annual meeting.

Section 8. Amendments to Master Declaration. Any Amendment to the Master Declaration approved by the Owners in accordance with the provisions of the Master Declaration shall be executed by the President or Vice President and the Secretary or an Assistant Secretary and recorded in the Brunswick County Registry.

ARTICLE X

Committees

The Executive Board shall appoint a Nominating Committee, as provided in these Bylaws. The Executive Board may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

Annual Budget; Assessments

Section 1. Annual Budget. Unless otherwise determined by the Executive Board, an annual budget for the Association for the next year shall be presented at the annual meeting of the Owners. Within 30 days after adoption of a proposed budget, the Executive Board shall provide to all 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 Executive Board shall set a date for a meeting of the Owners to consider ratification of the budget, such meeting to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting a majority of all the Owners rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board.

Section 2. Assessments. As more fully provided in the Master Declaration, each Owner is obligated to pay assessments to the Association. Each assessment is secured by a continuing lien upon the property against which the assessment is made. 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 rate of eighteen percent (18%) per annum, 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.

ARTICLE XII

Fines, Suspension of Privileges and Adjudicatory Hearings

The Executive Board shall have the power to impose reasonable charges for late payment of assessments and, after notice and an opportunity to be heard, suspend privileges or services provided by the Association (except rights of access to an Owner's property in the Development) during any period that assessments or other amounts due and owing to the Association remain unpaid for a period of thirty (30) days or longer. Further, the Executive Board shall have the power, after notice and an opportunity to be heard, to impose reasonable fines or suspend privileges or services provided by the Association (except rights of access to an Owner's property in the Development) for reasonable periods for violations of the Master Declaration,

these Bylaws, or any rules and regulations of the Association. A hearing shall be held before an adjudicatory panel appointed by the Executive Board to determine if any Owner should be fined or if privileges or services should be suspended pursuant to such powers. If the Executive Board fails to appoint an adjudicatory panel to hear such matters, hearings shall be held before the Executive Board. The 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 fifty dollars (\$150.00), or such greater amount allowed by law, may be imposed for the violation and without further hearing, for each day after the decision that the violation occurs. Such fines shall be assessments secured by liens under the Master Declaration. 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 XIII

Books and Records

The books, records and papers of the Association shall at all times during reasonable business hours, by appointment, be subject to inspection by any Owner or any Institutional Lender (as that term is defined in the Master Declaration). The Master Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Owner at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

Amendments

Except as otherwise provided herein or by law, these Bylaws may be amended by the Executive Board. The directors must be given at least five (5) days written notice of any meeting at which an amendment is to be voted upon. The notice shall state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment to the Bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. Any amendment must be approved by a majority of the directors in office at the time the amendment is adopted. An amendment changing the range for the size of the Executive Board or changing from a variable range to a fixed size Executive Board must be approved by the Owners in the manner required by law. No amendment to these Bylaws which shall abridge, amend or modify the voting rights of Declarant, or the right of Declarant to appoint members of the Executive Board of the Association, may be adopted or become effective without the prior written consent of Declarant.

ARTICLE XV

Conflicts

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the Master Declaration and these Bylaws, the Master Declaration shall control.

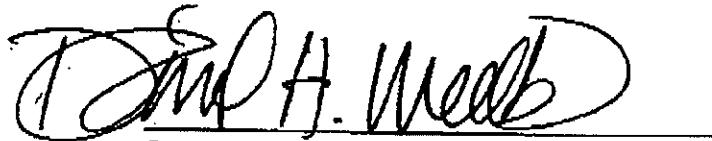
ARTICLE XVI

Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Certification

I, the undersigned, do hereby certify that I am the duly appointed and acting Secretary of SeaScape at Holden Plantation Property Owners Association, Inc., a North Carolina corporation, and that the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by the Executive Board on December 14, 1999.



Secretary

Minutes of Action of Executive Board
of
SeaScape at Holden Plantation Property Owners Association, Inc.

The following action was taken by the Executive Board of SeaScape at Holden Plantation Property Owners Association, Inc., in lieu of an organizational meeting, by this written consent thereto signed by all of the directors:

Adoption of Bylaws

RESOLVED, that the Bylaws in the form presented to the Executive Board be and hereby are adopted as the Bylaws of the Association and shall be inserted in the minute book of the Association.

Appointment of Officers

RESOLVED, that the following persons be and hereby are appointed to serve as officers of the Association until the first annual meeting of the Executive Board or until their respective successors are duly appointed:

President	Mark A. Saunders
Treasurer	Sean D. Scanlon
Secretary	Daniel H. Weeks

Banking Resolutions

RESOLVED, that Branch Banking and Trust Company be and hereby is designated as a depository of the Association, that the banking resolutions set forth in the form made available for examination by the Executive Board, a copy of which is attached to and made a part of these minutes, be and hereby are approved and adopted, and that the Secretary of this corporation be and hereby is authorized to certify to the passage of said resolutions.

Appointment of Architectural Control Committee

RESOLVED, that the following persons are appointed as members of the Architectural Control Committee of the Association, for the purposes described in the Master Declaration of Covenants, Conditions, Restrictions and Easements for SeaScape at Holden Plantation:

Mark A. Saunders
Sean D. Scanlon
Daniel H. Weeks

Minutes of Action of Architectural Control Committee
of
SeaScape at Holden Plantation Property Owners Association, Inc.


The following action was taken by the Architectural Control Committee of SeaScape at Holden Plantation Property Owners Association, Inc., by this written consent thereto signed by all of the members of the Committee:

Adoption of Architectural Design Standards and Guidelines

RESOLVED, that the Architectural Design Standards and Guidelines for SeaScape at Holden Plantation, in the form presented to the Committee, be and hereby are adopted for the purposes described in the Master Declaration of Covenants, Conditions, Restrictions and Easements for SeaScape at Holden Plantation; and

RESOLVED FURTHER, that a copy said Guidelines be maintained in the records of the Committee in the office of the Association, and that copies be made available to all owners and prospective purchasers of homesites in SeaScape at Holden Plantation.

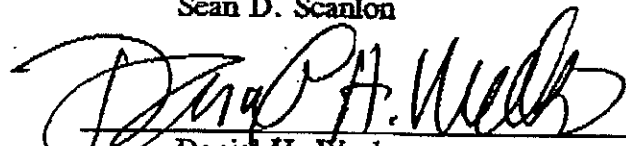
This action shall be effective as of the 14th day of December, 1999.



Mark A. Saunders



Sean D. Scanlon



Daniel H. Weeks