

**BYLAWS OF
QUEENSWOOD PROPERTY OWNERS' ASSOCIATION
A Non-Profit Corporation**

ARTICLE I

NAME AND LOCATION

The name of the corporation is QUEENSWOOD PROPERTY OWNERS' ASSOCIATION, INC. The principal office of the corporation shall be located at 29 Winchester Station, 905 Halstead Blvd., Elizabeth City, Pasquotank County, North Carolina 27909, 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

The Definitions section contained in the Declaration of Covenants, Conditions and Restrictions for Queenswood shall apply with equal force and effect to these Bylaws.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. ANNUAL MEETINGS: The annual meeting of Members shall be held on the first Wednesday in the month of January of each year at the hour of ten o'clock A.M. If the day for the annual meeting of Members is a legal holiday, the meeting will be held at the same hour on the next following day which is not a legal holiday.

Section 2. SPECIAL MEETINGS: Special meetings of Members may be called at any time by the President or by two (2) Members of the Board of Directors or upon written request of Members who are entitled to vote fifty-one percent (51%) of all votes of the membership.

Section 3. NOTICE OF MEETINGS: Written notice of each meeting of Members shall be given by, or at the direction of, the Secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days, but not more than thirty (30) days, before such meeting to each Member entitled to vote, 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 receiving notice.

Such notice shall specify the day, hour and place of the meeting and in the case of a special meeting, the purpose of the meeting.

Section 4. QUORUM: The presence at the meeting, in person or by proxy, of Members entitled to cast a majority of the votes of the membership shall constitute a quorum for authorization of any action, except as may otherwise be provided in the Declaration, the Articles of Incorporation, or these Bylaws. If a quorum is not present at any meeting, the Members present who are entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 5. PROXIES: At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Proxies shall be revocable, and the proxy of any Owner shall automatically terminate on conveyance by the Owner of the Owner's Lot or Dwelling Unit.

ARTICLE IV

BOARD OF DIRECTORS: TERM OF OFFICE: REMOVAL

Section 1. NUMBER: The affairs of the Association shall be managed by not less than three (3) or more than five (5) directors, who shall be duly elected by the Members of the Association.

Section 2. TERM OF OFFICE: Directors shall serve one (1) year terms and until their successors are duly appointed or elected, as the case may be.

Section 3. REMOVAL: 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 successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

ARTICLE V

BOARD OF DIRECTORS; MEETINGS

Section 1. REGULAR MEETINGS: Regular meetings of the Board of Directors shall be held annually, at such place and hour as may be fixed from time to time by resolution of the Board.

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 two directors, after not less than three (3) days notice to each director.

Section 3. QUORUM: A majority of the directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of directors present at a duly held meeting in which a quorum is present shall constitute the act or decision of the Board.

Section 4. ACTION WITHOUT MEETING: The Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all of the Directors to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Board.

ARTICLE VI

BOARD OF DIRECTORS; POWERS AND DUTIES

Section 1. POWERS: The Board of Directors shall have the power to do the following:

(a) Adopt and publish rules and regulations governing the use of the Queenswood Common Properties and facilities including the personal conduct of the members and their guests thereon, and to establish penalties for infractions of such rules and regulations.

(b) Suspend any Member's voting rights and right to use of the recreational facilities located in the Queenswood Common Properties during any period in which such Member is in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations.

(c) Exercise on behalf of the Association all powers, duties and authority vested in or delegated to the Association and not specifically reserved to the membership by the Declaration, Articles of Incorporation, or by other provisions of these Bylaws.

(d) Employ a manager, independent contractors, and such other employees as they may deem necessary, and to prescribe their duties.

Section 2. DUTIES: The Board of Directors shall have the following duties:

(a) Supervise all officers, agents, and employees of the Association and see to it that their duties are properly performed;

(b) As more fully provided in the Declaration, to

(1) Fix the amount of the annual assessment against each Lot or Dwelling Unit in advance of each annual assessment period;

(2) Send written notices of each assessment to every Owner subject thereto in advance of each assessment period; and

(3) Foreclose the lien against any Lot or Dwelling Unit for which assessments are not paid within thirty (30) days after the due date, or to bring an action at law against the Owner personally obligated to pay the same.

(c) To issue, or cause an appropriate officer to issue on demand by any person a certificate setting forth whether or not any assessment has been paid. A statement in a certificate to the effect that an assessment has been paid shall constitute conclusive evidence of such payment. The Board may impose a reasonable charge for the issuance of such certificates.

(d) To procure and maintain liability and hazard insurance on all property owned or managed by the Association.

(e) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

(f) To cause all property owned or managed by the Association to be maintained.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. ENUMERATION OF OFFICES: The officers of the Association shall be a President and Vice President, both of whom shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

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 members.

Section 3. TERM: The officers of the Association shall be elected annually by the Board. Each officer shall hold office for a term of one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 4. SPECIAL APPOINTMENTS: The Board may elect such other officers as the affairs in 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 by the Board at any time with or without cause. 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 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 of the Board. The officer appointed to such vacancy shall serve for the unexpired term of the officer he replaces.

Section 7. MULTIPLE OFFICES: No person shall simultaneously hold more than one of any of the offices, except in the case of Secretary/Treasurer or special offices created pursuant to Section 4 of this Article.

Section 8. DUTIES: The duties of the officers are as follows:

(a) 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; and shall sign all leases, mortgages, deeds, and other instruments.

(b) Vice President: The Vice President shall act in the place of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; shall keep the corporate seal of the Association and affix it to all papers so requiring; shall serve notice of meetings of the Board to Members; and shall keep appropriate current records showing the Members of the Association together with their addresses.

(d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association and disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of the accounts; shall cause an annual audit of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures, a copy of which documents shall be delivered to each Member, and a report on which shall be given at the regular annual meeting of Members.

ARTICLE VIII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien on the property against which such assessments are made. All annual assessments shall be paid as designated by the Board of Directors. Any assessments not paid when due are considered delinquent. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of any assessment due. No Owner may waive or

otherwise escape liability for assessments by nonuse of the Queenswood Common Properties or abandonment of his Lot or Dwelling Unit.

ARTICLE IX

FISCAL MANAGEMENT

Section 1. FISCAL YEAR: The fiscal year of the Corporation shall be from January 1 to December 31. The fiscal year shall be subject to change by the Board of Directors in its discretion.

Section 2. BOOKS AND ACCOUNTS: Books and accounts of the Corporation shall be the responsibility of the Treasurer and shall be kept under the direction of the Treasurer. All books and accounts of the Corporation shall be subject to an annual audit by an independent certified public accountant according to generally accepted accounting principles, upon request by the Board of Directors. The books, records, and papers of the Association shall be subject to inspection by any Member upon fifteen (15) days prior written notice. The Declaration, Articles of Incorporation, and Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies shall be made available for sale at a reasonable price.

Section 3. EXECUTION OF CORPORATE DOCUMENTS: With the prior authorization of the Board of Directors, all instruments and documents shall be executed on behalf of the Corporation by either the President or the Vice President and attested to by the Secretary or Treasurer (in the case of any instrument to be recorded in the office of the Register of Deeds of Pasquotank County, only the Secretary is authorized to attest the signature of the President or the Vice President.

ARTICLE X

AMENDMENTS

These Bylaws may be amended by a vote of fifty-one percent (51%) of the membership votes in the Corporation in good standing, present at any regular or special meeting called with due notice. A statement of any proposed amendments shall accompany the notice of any regular or special meeting at which such proposed amendment or amendments shall be voted on.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal in a circular form having within its circumference the words:
QUEENSWOOD PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE XII

ROBERT'S RULES OF ORDER

The rules contained in the most recent edition of Robert's Rules of Order shall govern this Corporation in all meetings and in all cases to which they are applicable, so long as such rules are not inconsistent with these Bylaws or any special rules of order established by the Board of Directors.

ARTICLE XIII

CONFLICTS

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

Adopted this 17 day of Nov., 1997.

Shelly A. Burden
Secretary

NORTH CAROLINA
PASQUOTANK COUNTY

I, a Notary Public of the State aforesaid and County of Currituck do hereby certify that Shelly A. Burden, Secretary of Queenswood Property Owners' Association, Inc. personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal this 17th November, 1997.

My commission expires: 3/28/2000

Madeline F. Brumsey
NOTARY PUBLIC

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