

BYLAWS OF
CANNONSGATE AT BOGUE SOUND
HOMEOWNERS ASSOCIATION, INC.

Article 1

Definitions

The words, phrases and terms used in these Bylaws shall have the meanings as set forth in the Declaration of Covenants, Conditions and Restrictions for Cannonsgate at Bogue Sound executed by R.A. North Development, Inc., as Declarant therein, and recorded in the Office of the Register of Deeds for Carteret County, North Carolina (as modified, amended or supplemented, from time to time, the "Declaration").

Article 2

Administration of Subdivision

Section 2.1 Power and Authority: Except as otherwise specifically provided in the Project Documents, the Association shall have the following power and authority:

A. To own, purchase, manage, maintain, repair and replace the Common Area or any other part of the Property for which the Association is responsible under the Governing Documents, as well as any or all of the equipment or property of any type used in connection with the maintenance and preservation thereof.

B. To make assessments against the Owners of Lots in the Subdivision for payment of expenses incurred in accordance with the provisions of the Declaration or as otherwise permitted by law.

C. To promulgate such rules and regulations with respect to the Project, and to perform such deeds and acts as are deemed necessary to achieve the aforesaid objectives, and to promote the recreation, health, safety and welfare of the Members of the Association, all in accordance with the provisions of the Declaration.

D. To do or undertake any other lawful act or activity for which non-profit corporations may be organized under the North Carolina Nonprofit Corporation Act (the "Act") and to exercise all powers which may be granted unto the Association by applicable law, including, without limitation, those powers set forth in N.C.G.S §47F-3-102.

Section 2.2 Official Action: Unless specifically required in the Declaration or otherwise by law, all actions taken or to be taken by the Association shall be valid when

such are approved by the Board as hereinafter set forth or when taken by the officer, committee, person or entity to whom such authority has been duly delegated by the Board as permitted in the Governing Documents or as otherwise allowed by law. The Association, its Board, officers and Members shall at all times act in conformity with the Act, and the Governing Documents.

Article 3

Offices-Seal-Fiscal Year

Section 3.1 Principal Office and Registered Office: The principal office of the Association shall be located at such places as the Board may fix from time to time. The registered office of the Association required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 3.2 Other Offices: The Association may have other offices at such other places within the State of North Carolina as the Board may from time to time determine or as the affairs of the Association may require.

Section 3.3 Seal: The seal of the Association shall contain the name of the Association, the word "Seal", and such other words and figures as desired by the Board.

Section 3.4 Fiscal Year: The fiscal year of the Association shall be fixed by the Board.

Article 4

Membership

Section 4.1 Qualification: Membership in the Association shall be limited to the Owners, and every Owner of a Lot shall automatically be a Member of the Association. "Membership" means all Members as a group. Membership in the Association shall be appurtenant to and may not be separated from Lot ownership. The date of recordation in the Office of the Register of Deeds of Carteret County of the deed conveying any Lot shall govern the date of ownership that Lot. However, in the case of death, the transfer of ownership shall occur on the date of death (in the case of intestacy), or on the date of probate of the will (in the case of testacy). Until a descendant's will is probated, the Association will rely upon the presumption that a deceased Owner died intestate.

As provided in the Declaration, there shall be two classes of Membership in the Association. Subject to the Declaration, the Declarant, so long as it owns any Class B Lots, shall be the Class B Member, and every other Owner of a Lot shall be a Class A Member.

Section 4.2 Place of Meetings: All meetings of the Membership shall be held at a place within Carteret County, North Carolina, or at such other place, either within or without the State of North Carolina, as designated in the notice of the meeting.

Section 4.3 Annual Meeting: A meeting of the Association shall be held at least once each year as required by N.C.G.S §47F-3-108. The first Annual Meeting of the Association shall be held within twelve (12) months after the incorporation of the Association, at a date and time specified by the Board. Thereafter, the Annual Meeting of the Association shall be held on the second Tuesday in May of each year at 7:00p.m., Eastern Standard Time, if not a legal holiday. At such meetings, the Board shall be elected in accordance with article V of these Bylaws, and the Members shall transact such other business as may properly come before the meeting.

Section 4.4 Substitute Annual Meetings: If an Annual Meeting is not held on the day designated by these Bylaws, a Substitute Annual Meeting may be called in accordance with the provisions of Sections 4.5 and 4.6. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 4.5 Special Meetings: After the first Annual Meeting of the Members, Special Meetings of the Members may be called at any time by the President, by Owners having ten percent (10%) of the votes of the Association, by a majority of the Board, or as permitted by N.C.G.S. §47F-3-108. Business to be acted upon at all Special Meetings shall be confined to the subjects stated in the notice of such meeting.

Section 4.6 Notices of Meetings: Written or printed notice stating the time and place of a Membership meeting, including Annual Meetings, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove a director or officer, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of any such Membership meeting, by or at the direction of the President or the Secretary, either by hand delivery or by mail, to the mailing address of each Lot or to any other mailing address designated in writing by an Owner. Notice given to any one tenant in common, tenant by entirety or other joint Owner of a Lot shall be deemed notice to all Owners of the subject Lot. Notice of any Special Meeting shall specifically state the purpose or purposes for which the meeting is called.

Section 4.7 Quorum: Except as otherwise expressly required in these Bylaws and subject to the provisions of N.C.G.S. §47F-3-109 (c), the presence in person or by proxy of Members entitled to cast thirty percent (30%) of the votes which may be cast for election of the Board shall, constitute a quorum at all meetings of the Members. If a quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum is present or is represented as provided in N.C.G.S. §47F-3-109(c). The Members at any meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of Members leaving less than a quorum in attendance.

Section 4.8 Voting Rights: The voting rights of Members in the Association shall be as set forth in the Declaration. If fee simple title to a Lot is owned of record by more than one person or entity, all such persons or entities shall be Members of

the Association, but the vote with respect to any such jointly owned Lot shall be cast as hereinafter provided.

If the simple fee title to any Lot is owned of record by two or more persons or entities (whether individually or in a fiduciary capacity), the vote with respect to any such jointly owned Lot shall be cast as provided in N.C.G.S. §47F-3-110(a). In no event may the vote which may cast with respect to any Lot be divided among joint owners of the Lot or cast in any manner other than as a whole, it being the intention of this Section 4.8 that there be no "splitting" of votes that may be cast by any Member or Members.

Section 4.9 Proxies: Members may vote either in person or by agents duly authorized by written proxy executed by the subject Member or by his duly authorized attorney-in-fact. A proxy is not valid after the earlier if the term stated therein or the expiration of eleven (11) months from the date of its execution. In order to be effective, all proxies must be dated and filed with the Secretary or duly acting Secretary either during or prior to the meeting in question. A Member may not revoke a proxy given pursuant to this Section 4.9 except by actual notice of revocation delivered to the person presiding over a meeting of the Association. The provision of N.C.G.S. §47F-3-110(b) shall apply to the vote cast for any one Lot by the holders of proxies given by its Owners.

Section 4.10 Majority Vote: The cast of a majority of the votes represented at a meeting at which a quorum is present, in person or by proxy, shall be binding for all purposes except where a different percentage vote is required by these Bylaws, the Declaration, the Article of Incorporation of the Association, or by law.

Section 4.11 Actions By Written Ballots: Any action which may be taken at a meeting of the Membership may be taken without a meeting by written ballot as provided in N.C.G.S. §55A-7-08.

Article V

Board

Section 5.1 General Powers: The business and affairs of the Association shall be managed by the Board or by such committees as the Board may establish pursuant to Article VI of these Bylaws. Provided, however, the Board may not act on behalf of the Association to amend the Declaration, to terminate the planned community, to elect members of the Board, or to determine the qualifications, powers and duties, or terms of office of Board members. The Board may, however, fill vacancies in its membership for the unexpired portion of any term.

Section 5.2 Number, Term and Qualifications: The initial Board shall consist of the three (3) individuals appointed by the Declarant and who need not be Members. Until the Turnover Date, the Board shall consist of three (3) Directors, all of whom shall be appointed by the Class B Member. As required by N.C.G.S. §47F-3-103(e), the Members shall elect five (5) Board members following the Turnover Date, each to serve until the next Annual Meeting (or until a successor is elected and qualified) and each of whom must be a Member. Thereafter the Board shall consist of five (5) individuals. Directors shall be

elected to serve staggered terms as follows: Two (2) directors shall be elected to serve for a term of three (3) years; two (2) directors shall be elected to serve for a term of two (2) years; and one (1) director shall be elected to serve for a one (1) year term. Board members may succeed themselves in office.

Section 5.3 Election of Board Members: Subject to the right of the Class B Member to appoint Directors as provided in Section 5.2, the election of all Board members shall be by ballot. Persons receiving the highest number of votes (see Section 4.8) shall be elected. Cumulative voting is not permitted.

Section 5.4 Removal: Any Board member, other than a member appointed by the Class B Member, may be removed from the Board, with or without cause, by a vote of at least sixty-seven percent (67%) of the votes entitled to be cast by all Members present and entitled to vote at any meeting of the Membership at which a quorum is present; provided, the notice of the meeting must state the purpose, or one of the purposes, of the meeting is removal of the Board member. Board members appointed by the Class B Member may only be removed by the Class B Member. If any Board members are so removed, their successors as Board members may be elected by the Class B Member or the Membership at the same meeting to fill the unexpired terms of the Board members so removed as provided in Section 5.3.

Section 5.5 Vacancies: A vacancy occurring in the Board may be filled by a majority of the remaining Board members, though less than a quorum, or by the sole remaining Board member; provided, however, a vacancy created by an increase in the authorized number of Board members shall be filled only by election at an Annual or substitute Annual Meeting or at a Special Meeting of Members called for that purpose. The Members may elect a Board member at any time to fill any vacancy not filled by the Board members. As provided in Section 5.4, the Class B Member or the Membership shall have the first right to fill any vacancy created by the Class B member or the Membership's removal of a Board member by electing a replacement at the meeting where the removal occurs.

Section 5.6 Chairman: A member of the Board shall be elected as Chairman of the Board by the Board members at the first meeting of the Board. The Chairman shall preside at all meetings of the Board and perform such other duties as may be directed by the Board. Prior to election of a Chairman and/or in the event that the Chairman is not present at any meeting of the Board, the President shall preside.

Section 5.7 Compensation: No Member of the Board shall receive any compensation from the Association for acting as such. Provided, however, each Board member shall be reimbursed for reasonable out-of-pocket expenses incurred and paid by him on behalf of the Association, and nothing herein shall prohibit the Board from reasonably compensating a Board member for unusual and extraordinary services which are beyond services usually and customarily provided by Board members. Further provided, each Board member, by assuming office, waives his right to institute suit against or make claim upon the Association for compensation based upon service as a Board member.

Section 5.8 Loan to Board Members and Officers: No loans shall be made by the Association to its Board members or officers. The Board members who vote for or assent to the making of a loan to a Board member or officer of the Association, and any officer or officers participating in the making of such loan, shall be jointly and severally liable to the Association for the amount of such loan until the repayment thereof.

Section 5.9 Liability of Board Members: To the extent permitted by the provisions of the Act in effect at the applicable time, each Board member is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as a Board member. Such indemnity shall be subject to approval by the Members only when such approval is required by the Act.

Section 5.10 Meetings of the Board:

A. Regular Meeting: Regular Meetings may be held, without notice, at such hour and address as may be fixed from time to time by resolution of the Board.

B. Special Meetings: Special Meetings shall be held when called by the Chairman of the Board, the President of the Association, or by a majority of the Board members upon written notice sent to each Board member by any usual means of communication not less than five (5) days before the meeting.

C. Waiver of Notice: The notice provided for herein may be waived by written instrument signed by those Board members who do not receive said notice. attendance by a Board member at a meeting shall constitute a waiver of notice of such meeting unless the subject Board member at the beginning of the meeting (or promptly upon his arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

D. Meeting Place: The Board may hold Regular or Special Meetings in or out of the State of North Carolina.

E. Quorum: A majority of the Board members then holding office shall constitute a quorum for the transaction of business and every act or decision done or made by a majority of the Board members present at a duly held meeting at which a quorum is present shall be regarded as the act or decision of the Board.

Section 5.11 Action Without Meeting: The Board members 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 Board members as permitted by N.C.G.S. §55A-8-21. Any action so approved shall have the same effect as though taken at a meeting of the Board. Said written approval shall be filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5.12 Presumption of Assent: A Board member who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise 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 Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Board member who voted in favor of such action.

Section 5.13 Powers of the Board: The Board shall have the authority to exercise all powers of the Association necessary for the administration of the affairs of the Subdivision except such powers and duties as by law or by Governing Documents may be delegated by the Members to the board. The powers that may be exercised by the Board shall include, but shall not be limited to, the following:

- A. Operation, care, upkeep and maintenance of the Common Area, to extent such operation, care, upkeep, and maintenance is not obligation of the Owners;
- B. Determination of the funds required for operation, administration, maintenance and other affairs of the Project and collection of the assessments for the Owners, as provided in the Governing Documents;
- C. Employment and dismissal of personnel (including without limitation the Independent Manager) necessary for the efficient operation, maintenance, repair, and replacement of the Common Area;
- D. Adoption of rule and regulations covering the details of the operation, maintenance, repair, replacement, use and modification of the Common Area;
- E. Opening of bank accounts on behalf of the Association and designating the signatories required therefor;
- F. Obtaining insurance as required or permitted under the terms of the applicable provisions of the Declaration;
- G. Keeping detailed accurate records of the receipts and expenditures of the Association; obtaining annual audits and/or reviews of financial records of the Association from the Association's public accountant; furnishing the annual reports; an furnishing current budgets. All books and records shall be kept in accordance with good and accepted accounting practices;
- H. Keeping a complete record of the minutes of all meetings of the Board and Membership in which minute book shall be inserted actions taken by the Board and/or Members by written ballot or by consent without meeting;
- I. Supervising all officers, agents and employees of the Association and insuring that their duties are properly performed;
- J. Enforcing, on behalf of the Association, the obligations and assessments provided in the Declaration, including but not limited to, the institution of civil actions to enforce payment of the assessments as provided in the Declaration, the institution of actions to foreclose liens for such assessments in accordance with the terms of the Declaration and the procedures set forth in N.C.G.S §47F-3-116, the imposition if charges for late payment of assessments, and after notice and an opportunity to be heard as provided in N.C.G.S.,§47F-3-102(12), levying reasonable fines for violations of the Declaration, Bylaws and rules and regulations of the Association;
- K. Making repairs, additions, and improvements to or alterations or restoration o the Property in accordance with the other provisions of these Bylaws and

- the Declaration, after damage or destruction by fire or other casualty, or as a result of a condemnation or eminent domain proceeding;
- L. Enforcing by any legal means or proceeding the provisions of the Articles of Incorporation of the Association, these Bylaws, the Declaration, or the rules and regulations hereinafter promulgated governing the Property, including use of the Common Area;
 - M. Paying all taxes and assessments which are or may become liens against any part of the Common Area, and to assess the same against the Owners in the manner herein provided;
 - N. Hiring attorneys and other professionals;
 - O. Maintaining and repairing any Lot or Improvement, if such maintenance or repair is required by the Declaration or is necessary in the discretion of the Board to protect the Common Area or any other Lot or Improvement or if the Owner of such Lot has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered or mailed by the Board to said Owner. Allocation of costs incurred shall be as provided in N.C.G.S. §47F-3-107 and §47F-3-115;
 - P. Entering any Improvement when necessary in connection with any maintenance or construction for which the Board is responsible; provided, such entry shall be made during reasonable hours and with notice to the Owner when practicable. Any damage caused thereby shall be repaired by the Board and such expenses shall be treated as an expense of the Association.
 - Q. Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by either the President, any Vice President, the Treasurer or the Assistant Treasurer of the Association, and countersigned by any Board member;
 - R. Furnishing certificates setting forth amounts of unpaid assessments that have been levied upon a Lot to the Owner or Mortgagee of such Lot, or a proposed purchaser or Mortgagee of such Lot, and imposing and collecting reasonable charges therefore; and
 - S. Exercising any other powers allowed in the Declaration, the Articles of Incorporation, these Bylaws or otherwise by law, including, without limitation, Chapter 47F of the North Carolina General Statutes.

Section 5.14 Independent Manager: The Board may employ or enter into a management contract with any individual, firm or entity it deems appropriate and in the best interest of the Association. The Board may delegate to such person, firm or entity (referred to in these Bylaws as "Independent Manager") such duties and responsibilities in the management of the Property as the Board deems appropriate. Provided, the Board may not delegate to the Independent Manager responsibilities and duties of the Association in violation of the Nonprofit Corporation Act of North Carolina. The Independent Manager's contract shall be for a term not to exceed three(3) years, and shall be terminable as provided in Section 4.6 of the Declaration. The Board shall have authority to fix the reasonable compensation for the

Independent Manager. The Independent Manager shall at all times be answerable to the Board and subject to its direction. Should the Association enter into a management agreement for the Property as permitted herein, the Independent Manager shall obtain and at all times maintain Fidelity Insurance as provided in Section 7.1(c) of the Declaration.

Article VI

Committees

Section 6.1 Creation: The Board may create such committees as they deem necessary and appropriate in aiding the Board to carry out its duties and responsibilities with respect to the management of the Project as permitted under N.C.G.S. §55A-8-25.

Section 6.2 Vacancy: Any vacancy occurring on a committee shall be filled by a majority of the number of Board members then holding office at a regular or special meeting of the Board.

Section 6.3 Removal: Any member of a committee may be removed at any time with or without cause by a majority of the number of Board members then holding office.

Section 6.4 Minutes: Each committee shall keep regular minutes of its proceedings and report the same to the Board when required.

Section 6.5 Responsibility of Board Members: The designation of committees and the delegation thereto of authority shall not operate to relieve the Board or any member thereof of any responsibility or liability imposed upon it or him by law.

Section 6.6 Architectural Review Committee: Notwithstanding anything in this Article VI to the contrary, the Architectural Review Committee shall be created, appointed and governed as provided in the Declaration.

Article VII

Officers

Section 7.1 Enumeration of Officer: The officers of the Association shall consist of a President, a Secretary, a Treasurer and one or more Vice Presidents, Assistant Secretaries, Assistant treasurers and other officers as the Board may from time to time appoint. Except for the President, no officer need be a member of the Board.

Section 7.2 Appointment and Term: The officers of the Association shall be appointed annually by the Board at the first meeting of the Board next following the Annual or Substitute Annual Meeting of the Members and

shall serve for the terms of one year. Each officer shall hold office until his death, resignation, removal or until his successor is appointed.

Section 7.3 Removal: Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Association will be served thereby.

Section 7.4 Vacancy: A vacancy in any office may be filled by the appointment by the Board of a successor to such office. Such appointment may take place at any meeting of the Board. The officer appointed to such vacancy shall serve for the remaining term of the officer he replaces.

Section 7.5 Multiple Offices: The person holding the office of President shall not also hold the office of Secretary or Treasurer at the same time. Any other offices may be simultaneously held by one person. Any officer may also be a member of the Board.

Section 7.6 President: The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members. In the absence of the Chairman, he shall also preside at all meetings of the Board. He shall see that the orders and resolutions of the Board are carried out; he shall sign all written agreements or instruments on behalf of the Association and co-sign all promissory notes of the Association, if nay, with the Treasurer; and he shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the Act in connection with the supervision, control and management of the Association in accordance with the Governing Documents.

Section 7.7 Vice President: The Vice President in the order of their appointment, unless otherwise determined by the Board shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers as the Board shall prescribe.

Section 7.8 Secretary: The Secretary shall keep the minutes of all meetings of Members and of the Board; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all duties incident to the Office of Secretary of a corporation organized under the Act.

Section 7.9 Treasurer: The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full an accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements. He shall co-sign promissory notes of the Association; he shall prepare a proposed annual budget (to be approved by the Board) and the other reports to be furnished to the Members as required in the Declaration. He shall perform all duties incident to the office of Treasurer of a corporation organized under the Act.

Section 7.10 Assistant Secretaries and Assistant Treasurers: The Assistant Secretaries and Assistant Treasurers shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President of the Board.

Section 7.11 Compensation: Officers shall not be compensated for the usual and ordinary services rendered to the Association incident to the offices they hold. The Board may, however, reasonably compensate any officer or officers who render unusual and extraordinary services to the Association beyond those usually and customary expected of persons serving as officers. Each officer, by assuming office, waives his right to institute suit against or make claim upon the Association for compensation based upon services usually or customarily rendered by persons occupying the office each holds.

Section 7.12 Indemnification: To the extent permitted by the provisions of the Act in effect at the applicable times, each officer is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as an officer. Such indemnity shall be subject to approval by the Members only when such approval is required by the Act.

Section 7.13 Amendment Authority: Amendments to the Declaration may be prepared, executed, certified and recorded by the President, the Secretary, the Treasurer or any Vice President of the Association.

Article VIII

Amendments

Section 8.1 Amendments by Members. Subject to Section 8.2 and the last sentence of this Section 8.1, these Bylaws may be amended as provided in N.C.G.S. §55A-10-21. All persons or entities who own or hereafter acquire any interest in the Property shall be bound to abide by any amendment to these Bylaws which is duly adopted as provided herein. No amendment to these Bylaws shall be adopted or passed which shall impair or prejudice the rights of Declarant provided for in the Governing Documents, without the consent of Declarant.

Section 8.2 Amendments by Declarant or Board. Declarant, for so long as it is a Class B Member of the Association, and thereafter the Board, Shall have the right to amend these Bylaws for the purpose set forth in Section 12.2 and Section 12.3 of the Declaration, without the consent or approval of any other Member.

Section 8.3 Agency Approval. So long as Declarant is a Class B member, any amendment of these Bylaws, except as expressly provided in Section 8.2 above, shall require the prior written approval of any Agency then holding or insuring any Mortgage.

Article IX

Miscellaneous

Section 9.1 Severability: Invalidation of any covenant, condition, restriction or other provisions of the Declaration or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

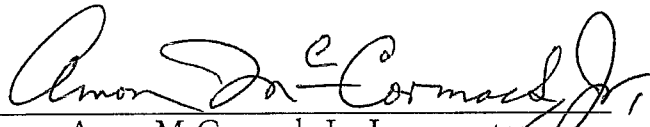
Section 9.2 Successors Bound: The rights, privileges, duties and responsibilities set forth in the Governing Documents, as amended for time to time, shall run with the ownership of the Property and shall be binding upon all persons who own or hereafter acquire any interest in the Property.

Section 9.3 Gender, Singular, Plural: Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

Section 9.4 Nonprofit Corporation: No part of the Association's assets or net income shall inure to the benefit of any of the Members, the officers of the Association, or the members of the Board, or any other private individual either during its existence or upon dissolution except as reasonable compensation paid or distributions made in carrying out its declared nonprofit purposes set forth in the Declaration, the Articles of Incorporation of the Association and these Bylaws.

Section 9.5 Books and Records: The books and records of the Association shall be kept as required by N.C.G.S. §47F-3-118(a) and shall be available for inspection as provided in Article 16 Chapter 55A of the North Carolina General Statutes.

IN WITNESS WHEREOF, these Bylaws have been duly adopted by the incorporator as provided in N.C.G.S. §55A-2-06 this the 26th day of May, 2005.


Amon McCormack, Jr. Incorporator