

ARTICLES OF INCORPORATION
NONPROFIT CORPORATION

FOR

ALLIGATOR LAKE PROPERTY OWNERS ASSOCIATION, INC.

Pursuant to §55A-2-02 of the North Carolina General Statutes, the undersigned corporation does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation.

1. The name of the corporation is Alligator Lake Property Owners Association, Inc.
2. The street address and county of the initial registered office of the corporation is:
1042 Riverview Drive; Burgaw, Pender County, North Carolina 28425.
3. The mailing address of the initial registered agent is: 1403 Buckingham Road, Garner, North Carolina 27529.
4. The name of the initial registered agent is: Clifton F. Davis, III.
5. The name and mailing address of the incorporator is: Robert C. Kenan, Jr.; Post Office Box 957; Burgaw, North Carolina 28425.
6. The corporation will have members.
7. Upon dissolution of the corporation the assets of the corporation would be transferred to the property owners within Sections I. and II., Alligator Lake Subdivision, Pender County, North Carolina.
8. The street address, and county of the principal office of the corporation is: 1042 Riverview Drive, Burgaw, Pender County, North Carolina 28425.
9. The mailing address of the principal office of the corporation is: 1403 Buckingham Road, Garner, North Carolina 27529.
10. These Article of Incorporation will become effective upon filing.

Robert C. Kenan, Jr. Incorporator

A Motion was duly made and seconded by James Brown and passed unanimously to adopt the Articles of Incorporation as stated above.

Mr. Kenan then stated that the Association would need to adopt a business address for the receipt of all correspondence. A motion was made, seconded and passed unanimously to have 1800 Riverview Drive, Burgaw, North Carolina 28425 as the official mailing address of the Association.

Mr. Kenan then submitted to the members a set of Proposed Bylaws for the Association for each member's review and consideration. The members discussed revising Section 1., Article VI to provide for five members to the Board of Directors. A motion was made and seconded and passed unanimously to amended Section 1, Article VI of the proposed bylaws to have members of the Board of Directors. A motion was made, seconded and passed unanimously to amend Paragraph C, Section 2, Article VI of the proposed bylaws that before any lot owner can be fined for violation the bylaws or any rules and regulations of adopted by the Board of Directors or the Association that the lot owner, who is in violation, be given thirty (30) days notice of the violation. The members then discussed that no money should be borrowed by the association unless it is consented to by the members. A motion was duly made, seconded and passed by unanimous vote to amend Section 2, Article 9 of the proposed bylaws to provide that

no loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by Board of Directors and consented to by two-thirds (2/3) of the members.

A motion was made by Clifton F. Davis, III. and seconded by Emil D. Burriss and passed unanimously to adopt the proposed bylaws with the amendments thereto for the governance of the Association. The Bylaws for Alligator Lake Property Owners Association, Inc. are as follows:

**BYLAWS
OF
ALLIGATOR LAKE PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I.
BUSINESS ADDRESS**

The business address of ALLIGATOR LAKE PROPERTY OWNERS ASSOCIATION (the "Association") shall be 1800 Riverview Drive, Burgaw, North Carolina 28425. The business address may be changed by the Board of Directors of the Association if required by the U.S. Postal Service, or, upon approval of the membership, for any other reason.

**ARTICLE II.
MEMBERSHIP IN THE ASSOCIATION**

Every person or entity who is a record owner of a fee or undivided fee interest in any lots within Sections I and II of Alligator Lake Subdivision as shown on those maps recorded in Map Book 26, at Page 69, Map Book 27, at Page 56, Map Book 28, at Page 131 and Map Book 36, at Page 82 each recorded in the Office of the Pender County Register of Deeds, State of North Carolina, shall be a member of the Association. Ownership of such interest shall be the sole qualification for membership, and membership shall be appurtenant to and may not be separated from such ownership.

**ARTICLE III.
PURPOSES OF THE ASSOCIATION**

The purposes and duties of the Association shall be:

- A. To manage the Association, these Bylaws, any Rules and Regulations promulgated by the Association or its Board of Directors and that Declaration of Conditions and Restrictive Covenants recorded in Deed Book 767, Page 248, Deed Book 839, at Page 117, and Deed Book 981, at Page 298, each recorded in the Office of the Pender County Register of Deeds, as the same may be amended from time to time ("the Declaration");
- B. To enforce the provisions of these Bylaws, the Declaration, and any Rules and Regulations promulgated by the Association or its Board of Directors;
- C. To promote and protect the enjoyment and beneficial use and ownership of all of the lots located within the Alligator Lake Subdivision.
- D. No part of the net earnings of the Association shall inure to the benefit of its members, the members of its Board of Directors or its officers, or to any other person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the above stated purposes.

**ARTICLE IV.
ASSESSMENTS**

Section 1. Authority to Make Assessments. The Association shall make and collect assessments against the lots with the annual assessment to adopted and approved by the members at their annual meeting. Such annual assessment shall be due and payable within sixty (60) days from the date adopted by the members at the annual meeting of the members. Special Assessments may be assessed against each lot owner during any fiscal year provided that the special assessment is approved by at least sixty percent (60%) of the members. Special Assessments shall be assessed and collected for the following purposes: road maintenance, repair and maintenance to the boat ramp, or any other improvement that is required for members to have ingress, egress and regress to the subdivision.

Section 2. Late Charges and Interest on Unpaid Assessments. Any assessment not paid within thirty (30) days after the due date shall be subject to such late charges and shall bear interest at a rate per annum as shall be determined by the Board of Directors of the Association, which interest rate shall not exceed the highest rate of interest allowed by law. The initial late charge imposed for late payment of any assessment is \$25.00 and shall be charged as to any assessment that is not paid within thirty (30) days of its due date. The initial interest rate for late payment is 18% per year (1.5% per month) which shall commence to accrue on any assessment or other account balance that is not paid within thirty (30) days of the due date. The Board of Directors may change the initial late charge, interest rate, due dates and lien assessment date by majority vote of the directors.

Section 3. Lien for Unpaid Assessments. In the event the Owner of any lot fails and refused, after demand by the Association, to pay any annual or special assessment, then the Association shall have a lien against said lot and may enforce collection of said assessment in law or in equity including without limitation, the filing of a notice of lien and perfecting the same as by law provided to the end that such unpaid assessment together with the costs and expenses of collection, including without limitation, reasonable attorneys' fees, shall be a charge and lien against the said lot.

To secure the payment of the annual and special assessments as are levied by the Association, together with the cost of collection, including attorney's fees, all such charges shall be a continuing lien upon the lot against which the assessments are made. Such charges shall also be the personal obligation of the person(s) corporations or entities that were the owner and owners of such lot at the time the assessment came due.

Neither the assessments nor the costs of collection shall be a lien upon any Common Property nor shall the lien upon any lot for such charges be senior to any first lien mortgage or first lien deed of trust regardless of the fact the lien arose prior to the date and time of recording of any such first lien mortgage or deed of trust.

ARTICLE V. MEETINGS OF MEMBERS

Section 1. Place of Meetings. All meetings of members shall be held at such place in Pender County, North Carolina, as shall be designated on the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.

Section 2. Annual Meetings. The annual meeting of the members shall be held during the thirty (30) days of September of each year on any day during that period (except a legal holiday) as determined by the Board of Directors, for the following purposes:

1. to ratify or reject the summary of the proposed budget submitted by the Board of Directors pursuant to Article VI below;
2. to elect the Board of Directors of the Association for the coming fiscal year; and
3. to transact any other business that may come before the membership, including but not limited to the adoption, modification and/or repeal of any Rules and Regulations governing the Association.

Section 3. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article V. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. Special Meetings. Special meetings of the members may be called at any time by the President or the Board of Directors of the Association, or upon the written request of not less than twenty percent (20%) of the members.

Section 5. Notice of Meetings. Written notice of the meeting shall be delivered not less than ten nor more than fifty days before the date of any members' meeting, either personally or by mail, by or at the direction of the President, the Secretary, or other person calling the meeting, to each member of record. The notice shall state the time and place of the meeting and shall also state 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 an Officer/Director. If mailed, such shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his/her address as it appears on the record of members of the Association, with postage thereon prepaid. It shall be the responsibility of the individual members to keep the Secretary informed of their current addresses. In the absence of instructions from an individual member as to his/her address, the Secretary shall be entitled to rely on the most recent records of the Pender County Tax Collector to determine the addresses of the owner(s) of a Lot. The notice of meeting must state the time and place of the meeting and all items on the agenda for the meeting.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 6. Voting Rights. On matters of the Association's business submitted to vote of the membership, there shall be one (1) vote per lot, regardless of the number of owners of a lot. There shall be no requirement of a quorum for submitting any matter to a vote at any Annual Meeting or Substitute Annual Meeting properly called and convened pursuant to these Bylaws. At any special meeting of members, twenty percent (20%) of the lots (represented either in person or by proxy) shall constitute a quorum for the purposes of submitting any matter to a vote. Except as otherwise provided by the Declaration, or these Bylaws, all matters submitted to a vote at any meeting held in accordance with these Bylaws shall be decided by a simple majority of the total votes cast.

Section 7. Voting by Proxy. Votes may be cast either in person or by one or more agents authorized by a dated, written proxy executed by the member or his/her attorney-in-fact. A proxy terminates one year after its date, unless it specifies a shorter term. Any form of proxy that is sufficient in law may be used, but the following form of proxy shall be deemed sufficient:

The undersigned hereby irrevocably constitute and appoint _____ their attorney-in-fact and proxy for the sole purpose of casting the vote allocated to Lot __, on all matters submitted to vote at that meeting of ***, to be held on _____, _____.

The undersigned hereby ratify and confirm all such votes cast on behalf of said Lot at that meeting, and certify that they are fully authorized to execute this instrument of proxy on behalf of all owners of any fee interest in said Lot.

This the _____ day of _____, _____.

Section 8. Voting List. At least ten days before each meeting of members, the Secretary of the Association shall prepare an alphabetical list of the members entitled to vote at such meeting or any adjournment thereof, with the address of each, which list shall be kept on file with the book of records of the Association. This list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any members during the whole time of the meeting.

Section 9. Waiver of Notice. Any member may waive notice of any meeting. The attendance by a member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VI. BOARD OF DIRECTORS

Section 1. Purpose, Number and Term of Office. The business and affairs of the Association shall be managed by a Board of Directors of five (5) individuals, who shall be entitled to act on behalf of the Association. At the first meeting of the membership of the Association, the members of the Board of Directors shall be elected by the membership of the Association and those persons who receive the highest number of votes at a meeting at which a quorum is present shall be elected. Each member of the Board of Directors shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and the election of his/her successor. All Directors elected by the membership of the Association must be lot owners.

Section 2. Powers and Duties. The Board of Directors shall have the power and the duty to act on behalf of the Association in all instances, except that the Board may not amend the Declaration, terminate the Association, elect members of the Board (except to fill any vacancy in its membership for the unexpired portion of a term) or determine the qualifications, powers, duties or terms of office of members of the Board. In addition the Board of Directors shall have the following specific powers, duties and responsibilities:

A. The Board will keep a complete record of all of its acts and all affairs of the Association and make the same reasonably available for examination by any member, his agents or mortgagees.

B. The Board will adopt a proposed budget for the Association to be approved or rejected by the membership of the Association at its Annual Meeting. The proposed budget shall be adopted at a meeting of the Board to be held not more than sixty (60) days before the Annual Meeting of the membership of the Association. A summary of the proposed budget, including the amount of any proposed assessments against the lots, shall be mailed to the membership not more than fourteen (14) nor less than thirty (30) days after the adoption of the proposed budget. The proposed budget shall be deemed ratified unless at the meeting more than fifty percent (50%) of the lots existing at that time vote to reject it. In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until such time as the membership ratifies a budget subsequently proposed by the Board of Directors.

C. The Board may fine any lot owner an amount not to exceed One Hundred Fifty Dollars (\$150.00) for any single violation of these Bylaws or any Rules and Regulations promulgated by the Board. In such event, the Board shall provide the lot owner fined an opportunity to be heard before an Adjudicatory Panel to be appointed by the Board pursuant to Article X below. Multiple fines may be assessed against any lot owner for multiple violations. Any such fines shall be deemed assessments against the lot of such owner, and shall be collectable as provided in the Declaration or by in accordance with the lien laws as provide for by the North Carolina General Statutes for the enforcement of liens. No such fine shall be collected until thirty (30) days written notice has been provided to the lot owner advising the lot owner of the violation of these Bylaws or any Rules and Regulations adopted by the Board of Directors.

D. The Board may contract a management agent to perform and execute such duties, functions and responsibilities of the Board as the Board may deem appropriate; however, no such contract shall relieve the Board from its fiduciary duty to the Association.

Notwithstanding any other provision herein, the Board of Directors is authorized, on behalf of the Association, to submit any dispute with or claim against the owner(s) of any lot(s) to voluntary arbitration pursuant to any arbitration program then in effect in the General Court of Justice of Pender County, North Carolina.

Section 3. Removal of Directors. Any director may be removed at any time with or without cause by a vote of at least sixty-seven percent (67%) of all persons present and entitled to vote at any meeting of the membership of the Association at which a quorum is present.

Section 4. Vacancies. In the event of the death, disability, resignation or removal of a director, his/her successor shall be selected and appointed by the remaining members of the Board of Directors to serve until the next meeting of the membership of the Association.

ARTICLE VII. MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Called Meetings. Meetings of the Board of Directors may be called by or at the request of the President or any two directors.

Section 2. Notice of Meeting. The person or persons calling a meeting of the Board of Directors shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 3. Waiver of Notice. Any member of the Board of Directors may waive notice of any meeting. The attendance by a member of the Board of Directors at a meeting shall constitute a waiver of notice of such meeting, except where a member of the Board of Directors attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. A majority of the number of the members of the Board of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the members of the Board of Directors.

Section 5. Manner of Acting. Except as otherwise provided in these Bylaws, the act of the majority of the members of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6. Informal Action by Members of the Board of Directors. Action taken by a majority of the members of the Board of Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the members of the Board of Directors and filed in the book of records of the Association, whether done before or after the action so taken.

Section 7. Committees of the Board. The Board of Directors may establish either standing or ad hoc committees of the members to assist it in its work. Such committees shall be chaired by a member of the Board of Directors.

ARTICLE VIII OFFICERS

Section 1. Designation. The officers of the Association shall consist of a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the membership may from time to time elect. The offices of Secretary and Treasurer may be held by the same person; otherwise, no two offices may be held by the same person.

Section 2. Election and Term. The initial officers of the Association shall be elected by the initial members of the Board of Directors of the Association. Subsequently, the officers of the Association shall be appointed by the Board of Directors. Members of the Board shall be eligible for appointment to serve as officers of the Association. The officers shall be appointed to one-year terms, and each officer shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and the appointment of his/her successor.

Section 3. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He/she shall, when present, preside at all meetings of the members. He/she shall sign, with the Secretary, 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 Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President, together with the Secretary, shall execute any amendments to the Declaration approved by the membership of the Association.

Section 4. Vice President. In the absence of the President or in the event of his/her 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, and shall perform such other duties as from time to time may be assigned to him/her by the President or the Board of Directors.

Section 5. Secretary. The Secretary shall: (a) keep minutes of the meetings of members, of the Board of Directors and of all Executive Committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) be authorized to certify and oversee the recordation of amendments to the Declaration on behalf of the Association; (e) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and (f) 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/her by the President or by the Board of Directors.

Section 6. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such depositories as shall be selected in accordance with the provisions of Section 4 of Article IX of these Bylaws; and (c) 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/her by the President or by the Board of Directors.

ARTICLE IX. CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 1. Contracts. The Board of 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 the behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors and consented to by at least two-thirds (2/3) of the membership. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by the President or the Treasurer of the Association.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select.

ARTICLE X
ADJUDICATORY PANEL

Section 1. Appointment of Adjudicatory Panel. The Board of Directors shall, not less than annually, appoint an Adjudicatory Panel of three (3) individuals, all of whom shall be owners of lots within the subdivision. Members of the Board shall not be eligible to serve as members of the Adjudicatory Panel. Members of the Panel shall be appointed to one-year terms, and each member shall sit until his/her death, disability, resignation or removal, or until the expiration of his/her term and the appointment of his/her successor.

Section 2. Hearings. In the event that a fine is assessed against a lot owner by the Board of Directors pursuant to Subsection 2(C) Article VI above, the Adjudicatory Panel shall provide to the lot owner so fined notice of the violation and an opportunity to be heard regarding the alleged violation and the assessed fine. If within ten (10) days of receipt of the notice the lot owner requests in writing a hearing, the Adjudicatory Panel shall hear the matter within twenty (20) days of the date of the written request. Two (2) members of the Panel shall constitute a quorum for the purpose of conducting a hearing. Following such a hearing, the Adjudicatory Panel shall confirm, deny or modify the fine imposed by the Board and shall notify the lot owner of its decision. The decision of the Panel with regard to the fine shall be final.

ARTICLE XI
INDEMNIFICATION

Any person who at any time serves or has served as an officer, member of the Board of Directors and/or member of the Adjudicatory Panel of the Association shall have a right to be indemnified by the Association to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him/her in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitral action, suit, or proceeding (and any appeal therein), whether or not brought by or on behalf of the Association, seeking to hold him/her liable by reason of the fact that he/she is or was acting in such capacity, and (b) reasonable payments made by him/her in satisfaction of any judgment, money decree, fine, penalty or settlement for which he/she may have become liable in any such action, suit or proceeding.

Upon request for payment, the President of the Association shall promptly call a special meeting of the Board of Directors to obtain approval to pay the indemnification required by this bylaw. Such approval may be general or confined to specific instances, and shall not be unreasonably withheld. Upon approval by the Board of Directors, the President shall promptly cause the indemnification to be paid to the requesting party.

Any person who at any time after the adoption of this bylaw serves or has served as an officer, member of the Board of Directors and/or member of the Adjudicatory Panel of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this bylaw.

ARTICLE XII
DISSOLUTION

In the event of dissolution of the Association, the residual assets of the Association will be distributed to a nonprofit organization with purposes similar to those of the Association, or to any other organization eligible under the provisions of Chapter 55A of the General Statutes of North Carolina. However, in no event shall the residual assets of the Association be distributed in a fashion that terminates the Association's exempt status under Section 528 of the Internal Revenue Code of 1986 or any corresponding sections or provisions of any future United States Internal Revenue law.

ARTICLE XIII
SECTION 528 STATUS

The Association shall elect and shall be managed in such fashion as to maintain tax-exempt status under Section 528 of the Internal Revenue Code of 1986. The Association shall not carry on any activities prohibited by an Association electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law.

ARTICLE XIV
GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Association.

Section 2. Fiscal Year. The fiscal year of the Association shall be October 1 through August 31 with the first fiscal year beginning on October 1, 2005 and ending on August 31, 2006.

Section 3. Amendments. The members of the Association may amend these Bylaws, repeal these Bylaws and/or adopt new Bylaws by the vote of at least sixty-seven percent (67%) of all existing Lots at any meeting of the membership of the Association properly held and conducted pursuant to Article V above.

Section 4. Conflicts. In the event of any conflict between the terms and provisions of these Bylaws and the terms and provisions of the Declaration, the terms and provisions of the Declaration shall control.

Section 5. References to Statutes. All references herein to any statutory provision shall be construed to include and apply to any

The foregoing instrument is hereby approved, accepted and adopted by the undersigned as the Bylaws of Alligator Lake Property Owners Association. In witness whereof, the initial members of the Board of Directors of the Association have set their hands and seals, effective the 1st day of October, 2005.

Mr. Kenan then stated to the members that it was in order to elect five (5) members to the Board of Directors for the Association. A motion was made by Thomas Naramore and seconded by Donna M. Conklin and approved unanimously to elect Emil D. Burriss, Bob Conklin, Clifton F. Davis, III., Cary Naramore and Wayne Cowan to the Board of Directors and for each to serve a term of one (1) year.

Next, Mr. Kenan stated that it was in order for the members to elect officers. A motion was made by James E. Brown to nominate Clifton F. Davis, III. as President, which was seconded by Emil D. Burriss. With no additional nominations from the members for the office of President, a vote was taken and Clifton F. Davis, III. was elected President of the Association unanimously.

It was then in order to elect a Vice President for the Association. A motion was made by Emil D. Burriss to nominate James E. Brown as Vice President, which was seconded by Bob Conklin. With no additional nominations from the members for the office of Vice President, a vote was taken and James E. Brown was elected Vice President of the Association unanimously.

It was then in order to elect a Secretary/Treasurer of the Association. A motion was made by Jerry Wayne Long to nominate Thomas Naramore as Secretary/Treasurer, which was seconded by Emil D. Burriss. With no additional nominations from the members for the office of Secretary/Treasurer, a vote was taken and Thomas Naramore was elected Secretary/Treasurer of the Association unanimously.

The members then discussed the amount of the annual assessment that should be charged to each lot owner within the association and what the monies should be used for. After some discussion, it was the consensus of the members was that the monies raised by the annual assessment should be utilized for the placing rock on the road within Sections I and II of Alligator Lake Subdivision, acquiring and maintaining a policy of general liability insurance, payment for materials to place No Trespassing signs at the boat ramp, to pay attorney fees for the organization of the association. A motion was made by James E. Brown and seconded by Peter M. Pelly and passed unanimously by the members to set \$100.00 as the annual assessment for each lot within the association.

Mr. Kenan then advised the members that it was necessary for them to designate a bank as the official depository of the association monies. After some discussion, a motion was duly made by Tom Naramore and seconded by Bob Conklin and passed by unanimous vote to designate Bank of America, N.A. located in Burgaw, North Carolina as the official depository institution of the association's monies.

Discussion was then commenced regarding signage need within the subdivision and at each of the boat ramps (Northeast Cape Fear River and Alligator Lake) for the purpose of notifying the general public that the boat ramps are private property and are not for the general

use of the public. The members then discussed the anticipated costs of preparing and erecting the signage. A motion was made by James E. Davis and seconded by Linda Burriss and passed unanimously that the association spend up to \$300.00 for the preparation and erection of signage at each of the boat ramps within the subdivision.

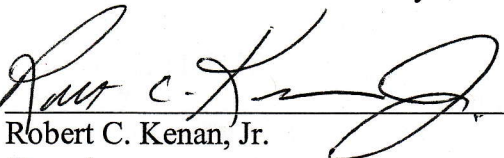
Clifton F. Davis, III. stated to the members that the association need to acquire a policy of general liability to insure against any liability that may be incurred by the association with its operation of the boat ramps as well as having an errors and omissions insurance coverage for the board of directors and officers of the corporation. He advised the membership that the approximate annual premium of having one million dollars general liability insurance coverage would be \$350.00.


Emil D. Burriss then stated that Linda Burriss and he would give the association an easement to their ramp on Alligator Lake to used exclusively by the association and its members. It was the consensus of the membership that any decision regarding the acceptance of an easement or placing signage at the ramp be deferred until the first meeting of the Board of Directors.

Clifton F. Davis, III. then announced that a Board of Directors meeting could be held at his home on October 29, 2005, at 10:30 a.m. if it was the consensus of the members of the Board of Directors. The members of the Board of Directors stated that this meeting date and time was acceptable. Thereafter, Clifton F. Davis, III. announced that a meeting would be held on October 29, 2005, at 10:30 a.m. at his home.

There being no further business to come before the membership, the meeting was adjourned.

Submitted this the 1st day of October 2005.


Robert C. Kenan, Jr.
Organizer


Clifton F. Davis, III.
Secretary