BY-LAWS
OF
COUNTRY CLUB RUN HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I - OFFICES

The principal office of the Association shall be located at such place as the Board of Directors 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.

ARTICLE II – MEMBERS

The Members of the Association shall be those persons or entities which meet the requirements for membership in the Association as set out in the Declaration of Covenants and Restrictions for Country Club Run Subdivision recorded in Deed Book 1164, Page 212, Carteret County Registry, as amended (hereinafter referred to as the "Declaration").

ARTICLE III – MEETING OF MEMBERS

SECTION 1 – Annual Meetings

The annual meeting of the Members of the Association shall be held on the last Saturday of the month of April each year at such place and time as may be fixed by the Board of Directors to be included in the notice thereof. The Directors may change the date and time of the annual meeting from time to time by resolution but in no event later than thirty (30) days from the anniversary date of the prior annual meeting. The Annual Meeting shall be for the purposes of electing directors and transacting such other business as may properly come before the meeting.

SECTION 2 – Special Meetings

Special meetings of the members may be called at any time by the Board of Directors or by the President, and special meetings shall be called by the President or the Secretary at the written request of Members representing at least twenty percent (20%) of membership, or as otherwise required under the provisions of the laws of the State of North Carolina ("Corporation Law").

SECTION 3 – Place of Meetings

All meetings of the members shall be held at the principal office of the Association or at such other places as shall be designated in the notices or waivers of notice of such meetings.

SECTION 4 – Notice of Meetings

(a) Written notice of each meeting of the Members, whether annual or special, stating the time and place where it is to be held, shall be served either personally or by mail, not less than fifteen (15) or more than sixty (60) days before the meeting, upon each member of record entitled to vote at such meeting and to any other person to whom the giving of notice may be required by law. Notice of a special meeting shall also state the purpose or purposes for which the meeting is called and shall indicate that it is being issued by, or at the direction of, the person or persons calling the meeting. If mailed, such notice shall be directed to each such Member at his address as it appears on the membership records of the Association, unless he shall have previously filed with the Secretary of the Association a written request that notices intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request.

(b) Notice of any meeting need not be given to (i) any person who may become a Member of record after the mailing of such notice and prior to the meeting, (ii) any Member who attends such meeting, in person or by proxy, or (iii) any Member who, in person or by proxy submits a signed waiver of notice either before or after such meeting. Notice of any adjourned meeting of members need not be given, unless otherwise required by statute.

SECTION 5 – Quorum

(a) Except as otherwise provided herein, by statute or in the Articles of Corporation (such Articles and any amendments thereof being hereinafter collectively referred to as the "Articles of Corporation"), at all meetings of the Members of the Association, the presence at the commencement of such meetings in person or by proxy of Members representing one-third (1/3) of the votes of the Association, in good standing and entitled to vote, shall be necessary and sufficient to constitute a quorum for the transaction of any business. The withdrawal of any Member after the commencement of a meeting shall have no effect of the existence of a quorum after a quorum has been established at such meeting.

(b) Despite the absence of a quorum at any annual or special meeting of the members, those in attendance and entitled to vote thereon may, by majority vote, adjourn the meeting. At any such reconvened meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called if a quorum had been present. No meeting may be adjourned for longer than forty-eight (48) hours.

SECTION 6 – Voting

(a) Except as otherwise provided by statute, the Articles of Corporation or in these By-Laws, any corporate action, other than the election of directors shall be taken by vote of the members and shall be authorized by a majority of votes cast at a meeting of members entitled to vote thereon.

(b) Except as otherwise provided by statute, the Articles of Corporation or in these By-Laws, a Member shall be entitled to vote his percentage ownership in the Common Elements as the same is set forth in the Declaration; provided, however, when more than one person holds an interest in a Unit, all such persons shall be members and the vote for such Unit shall be exercised as they, among themselves determine, but in no event shall more than the interest in the Common Elements allocated to said Unit be cast.

(c) Each member entitled to vote or to express consent or dissent without a meeting may do so by proxy; provided, however, that the instrument authorizing such proxy to act shall have been executed in writing by the member himself or by his Attorney-in-fact thereunto duly authorized in writing. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless the person(s) executing it shall have specified therein the length of time it is to continue in force. Such instrument shall be exhibited to the Secretary at the meeting and shall be filed with the records of the Association.

(d) Any resolution in writing signed by all of the members entitled to vote thereon shall be and constitute action by such members to the effect therein expressed, with the same force and effect as if the same had been duly passed by unanimous vote at a duly called meeting of members, and such resolutions so signed shall be inserted in the Minute Book of the Association under its proper date.

ARTICLE IV – BOARD OF DIRECTORS

SECTION 1 – Number, Election and Term of Office

(a) The number directors of the Association shall be not less than three (3), nor more than five (5) directors. It shall be a qualification to be a Director that such person also be a Member of the Association.

(b) Except as may otherwise be provided herein or in the Articles of Corporation, the members of the Board of Directors of the Association, shall be elected by a plurality of the votes cast at a meeting of the Members entitled to vote thereon. The election of directors shall be by secret written ballot.

(c) At each annual meeting, the Members shall elect a number of directors equal to those for whose term has expired for a term of two (2) years, and thereafter, until their successors are duly elected and qualified or until their prior death, resignation or removal.

(d) Nominations for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of Members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least ninety (90) days prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but no less than the number of vacancies that are to be filled. Such nominations shall be contained in the Notice of the Annual Meeting provided to the Members. The Nominating Committee shall endeavor to present a slate of nominees to the Board of Directors that is representative of each building within the Condominium.

SECTION 2 – Duties and Powers

The Board of Directors shall be responsible for the control and management of the affairs, property and interests of the Association and may exercise all powers of the Association, except as are in the Declaration, Articles of Corporation or by statute expressly conferred upon or reserved to the Members.

By way of illustration, but not limitation, the powers of the Board of Directors shall include:

i. Adopt rules and regulations governing the use of the Common Elements and amenities, the personal conduct of Members and their guests thereon, and establish penalties for the infraction thereof not to exceed $150.00 per incident;

ii. Suspend a Member's voting rights and right of use of the recreational facilities during any period in which such Member shall be in default in the payment of any assessment levied by the Association; and to suspend such rights, after notice and hearing, for infraction of published rules and regulations for a period no longer than forty-five (45) days;

iii. Declare the office of a Member of the Board of Directors to be vacant in the event such Member of the Board shall be absent from three (3) consecutive regular meetings of the Board;

iv. To employ a manager, an independent contractor, or other employees as is deemed necessary, and prescribe their duties; provided, that any contract for professional management must contain a clause requiring not more than ninety (90) days termination notice;

v. Procure, maintain, and pay premiums on, insurance policy(s) and equitably assess the members the same for their pro rata portion of such expense;

vi. Impose and receive any payments, fees, or charges for the maintenance, use, or operation of the Common Elements and recreational facilities from the Members as provided in the Declaration;

vii. Exercise any other powers necessary and proper for the governance and operation of the Association;

viii. To have an to exercise any and all powers, rights and privileges, whether implicit or explicit, provided: (1) to owners' associations under Chapter 47C of the North Carolina General Statutes, (2) to a Association organized under the Non-Profit Corporation Law of the State of North Carolina existing now or as may hereafter be provided and (3) to the Association under the Declaration;.

SECTION 3 – Annual and Regular Meetings; Notice

(a) A regular annual meeting of the Board of directors shall be held immediately following the annual meeting of the Members, which shall be at the place of such annual meeting of Members.

(b) The Board of Directors from time to time may provide by resolution for the holding of such other regular meetings of the Board of Directors and may fix the time and place thereof.

(c) Notice of any regular meeting of the Board of Directors shall not be required to be given and, if given, need not specify the purpose of the meeting; provided, however, that in case the Board of Directors shall fix or change the time or place of any regular meeting, notice of such action shall be given to each director who shall not have been present at the meeting at which such action was taken within the time limited, which notice shall be given in the manner set forth in paragraph (b) of Section 4 of this Article III with respect to special meetings, unless such notice shall be waived in the manner set forth in paragraph (c) of such Section 4.

SECTION 4 – Special Meetings; Notice

(a) Special meetings of the Board of Directors shall be held whenever called by the President or by one of the directors at such time and place as may be specified in the respective notices or waivers of notice thereof.

(b) Notice of special meetings shall be mailed directly to each director, shall be addressed to him at his residence or usual place of business at least three (3) days before the day on which the meeting is to be held, or shall be sent to him at such place by telegram, radio or cable, or shall be delivered to him personally or given to him orally, not later than the day before the day on which the meeting is to be held. A notice or waiver of notice, except as required in Section 8 or Section 10 of this Article III, need not specify the purpose of the meeting.

(c) Notice of any special meeting shall not be required to be given to any director who shall attend such meeting without protesting prior thereto or at its commencement the lack of notice to him, or to any director who submits a signed waiver of notice, whether before or after the meeting. Notice of any adjourned meeting shall not be required to be given.

SECTION 5 – Chairman

At all meetings of the Board of Directors, the Chairman of the Board, if any and if present, shall preside. If there shall be no Chairman or if he shall be absent, the President shall preside, and in his absence, a Chairman chosen by the Directors present shall preside.

SECTION 6 – Quorum and Adjournments

(a) At all meetings of the Board of Directors, the presence of a majority of the entire Board shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by law, by the Articles of Corporation or by these By-Laws.

(b) A majority of the directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice until a quorum shall be present.

SECTION 7 – Manner of Acting

(a) At all meetings of the Board of Directors, each director present shall have one (1) vote.

(b) Except as otherwise provided by statute, by the Articles of Corporation or by these By-Laws, the action of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. Any action authorized in writing by all or the directors entitled to vote thereon and filed with the minutes of the Association shall be the act of the Board of Directors, with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the Board.

SECTION 8 – Vacancies

Any vacancy in the Board of Directors occurring by reason of an increase in the number of directors or by reason of the death, resignation, disqualification, removal (unless a vacancy be filled by the members at the meeting at which the removal was effected) or inability to act of any director, or otherwise, shall be filled for the unexpired portion of the term by a majority vote of the remaining directors even if less than a quorum, at any regular meeting or special meeting of the Board of Directors called for that purpose.

SECTION 9 – Resignation

Any director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Association. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or such officer, and the acceptance of such resignation shall not be necessary to make it effective.

SECTION 10 – Removal

Any director may be removed with or without cause at any time by the Members of the Association at a special meeting called for that purpose. Additionally, a director may be removed for cause by action of the Board of Directors, including a member of the Board missing more than three (3) consecutive meetings, regular and/or special.

SECTION 11 – Salary

No stated salary shall be paid to directors, as such, for their services unless otherwise approved by a vote of two-thirds (2/3rds) of the members, voting in person or by proxy, at a meeting called for such purpose. Notwithstanding the above, the Board may, by resolution, fix a sum for reimbursement of the cost and expense of attendance at each regular or special meeting of the Board; and provided further, however, that nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving compensation therefor.

SECTION 12 – Contracts

(a) No contract or other transaction between this Association and any other Association shall be impaired, affected or invalidated, nor shall any director be liable in any way, by reason of the fact that any one or more of the directors of this Association is or are interested in, or is a director or officer, or are directors or officers of, such other Association, provided that such facts are disclosed or made known to the Board of Directors.

(b) Any director, personally and individually, may be a party to or may be interested in any contract or transaction of this Association, and no director shall be liable in any way by reason of such interest, provided that the fact of such interest be disclosed or made known to the Board of Directors, and provided further that the Board of Directors shall authorize, approve or ratify such contract or transaction by the vote (not counting the vote of any such director) of a majority of a quorum, notwithstanding the presence of any such director at the meeting at which the action is taken. Such director or directors may be counted in determining the presence of a quorum at such meeting. This Section 12 shall not be construed to impair or invalidate or in any way affect any contract or other transaction which would otherwise be valid under the law (common, statutory, or otherwise) applicable thereto.

SECTION 13 – Committees

The Board of Directors, by resolution adopted by a majority of the entire Board, may from time to time designate from among its members an executive committee and such other committees (examples are Architectural, Publicity, Recreational, Finance) and alternate members thereof as they deem desirable, each consisting of three or more members, which committees shall have such powers and authority (to the extent permitted by law) as may be provided in such resolution. Each such committee shall serve at the pleasure of the Board.

ARTICLE V – OFFICERS

SECTION 1 – Number, Qualification, Election and Term of Office

(a) The officers of the Association shall consist of a President, Secretary, Treasurer and such other officers, including a Chairman of the Board of Directors and one or more Vice-Presidents, as the Board of Directors may from time to time deem advisable. The Chairman of the Board of Directors is required to be a director of the Association. Any other officer may be, but is not required to be, a director of the Association. Any two or more offices may be held by the same person, except for the offices of President and Secretary.

(b) The Board of Directors shall elect the officers of the Association at the regular annual meeting of the Board following the annual meeting of the members.

(c) Each officer shall hold office until the annual meeting of the Board of Directors next succeeding his election and until his successor shall have been elected and qualified, or until his death, resignation or removal.

SECTION 2 – Resignation

Any officer may resign at any time by giving written notice of such resignation to the Board of Directors, the President or the Secretary of the Association. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or by such officer, and the acceptance of such resignation shall not be necessary to make it effective.

SECTION 3 – Removal

Any officer may be removed, either with or without cause, and a successor elected by the Board of Directors at any time.

SECTION 4 – Vacancies

A vacancy in any office by reason of death, resignation, inability to act, disqualification, or any other cause, may at any time be filled for the unexpired portion of the term by the Board of Directors.

SECTION 5 – Duties of Officers

Officers of the Association shall, unless otherwise provided by the Board of Directors, each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may be set forth in these By-Laws or as may from time to time be specifically conferred or imposed by the Board of Directors.

President. The President shall be the chief 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 shall, when present, preside at all meetings of the Members. He shall sign, with the Secretary (or Assistant Secretary), or any other proper officer of the Association thereunto authorized by the Board of Directors, any deeds, mortgages, 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 By-Laws 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 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.

Vice-President In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be prescribed by the President or Board of Directors.

Secretary. The Secretary shall: (a) keep the minutes of the meetings of the Members, of the Board of Directors and of all 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) maintain and authenticate the records of the Association and be custodian 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 is under its seal is duly authorized; (d) sign with the President, or Vice-President, any deeds, mortgages, contracts or other instruments which shall

have been authorized by resolution of the Board of Directors; (e) prepare or cause to be prepared membership lists prior to each meeting of the Members as required by law; (f) attest the signature or certify the incumbency or signature of any officer of the Association; and (g) in general perform all duties incident to the office of secretary and such other duties as from time to time may be prescribed by the President or the Board of Directors.

Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds of the Association; receive and give receipts for moneys due and payable to the Association for any source whatsoever, and deposit all such moneys in the name of the Association in such depositories as shall be selected by the Board of Directors; (b) maintain appropriate accounting records as required by law and the Declaration; (c) prepare, or cause to be prepared, annual financial statements of the Association that include a balance sheet as of the end of the fiscal year and an income and cash flow statement for that year, which statements, or a written notice of their availability , shall be mailed to each Member within one hundred twenty (120) days after the end of such fiscal year; and (d) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be prescribed by the President or the Board of Directors.

SECTION 6 – Sureties and Bonds

In case the Board of Directors shall so require, any officer, employee or agent of the Association shall execute to the Association a bond in such sum, and with such surety or sureties as the Board of Directs may direct, conditioned upon the faithful performance of his duties to the Association, including responsibility for negligence and for the accounting for all property, funds or securities of the Association which may come into his hands.

ARTICLE VI - BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be available and subject to inspection by any Member upon request made in accordance with G.S. §55A-16-01 et seq. and G.S. §47C-3-118. The Declaration, Articles of Corporation and By-Laws of the Association shall additionally be available for inspection at the principal office of the Association, where copies may be procured for a reasonable administrative fee to be set by the Board of Directors.

ARTICLE VII – FISCAL YEAR

The fiscal year of the Association shall be based upon the calendar year i.e. January 1 through December 31; however, subject to applicable law

ARTICLE VIII – CORPORATE SEAL

The corporate seal, if any, shall be in such form as shall be approved from time to time by the Board of Directors.

ARTICLE IX – INDEMNIFICATION

Any person who at any time serves or has served as a director, officer, employee or agent of the Association, or in such capacity at the request of the Association for any other Association, partnership, joint venture, trust or other enterprise, shall have a right to be indemnified by the Association to the fullest extent permitted by law against (a) reasonable expenses, including attorneys fees, actually and necessarily incurred by him in connection with any threatened or pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the Association, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty, or settlement for which he may become liable in any such action, suit or proceeding, subject to the exceptions set forth in G.S. §55A-2-02(b)(4).

The Board of Directors of the Association shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by this By-Law, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and giving notice to, and obtaining approval of, the members of the Association.

Any person who at any time after the adoption of these By-Laws serves or has served in any of the aforesaid capacities for or on behalf 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 By-Law.

ARTICLE X – AMENDMENTS

SECTION 1 – By Members

All By-Laws of the Association shall be subject to amendment, alteration or repeal, upon a two-thirds (2/3rds) vote of the Members entitled to vote, in person or by proxy, at a meeting called for such purpose.

SECTION 2 – By Directors

The Board of Directors shall have the power to make, adopt, alter, amend and repeal from time to time, the By-Laws of the Association; provided, however, that the Members of the Association may alter, amend or repeal any By-Laws made by the Board of Directors. Notwithstanding the above, the Board of Directors shall have no power to change the quorum for meetings of Members or of the Board of Directors or to change any provisions of the By-Laws with respect to the amount of votes required for action (majority/two-thirds), the removal of Directors or the filling of vacancies in the Board resulting from a removal by the Members. If any By-Law regulating an impending election of Directors is adopted, amended or repealed by the Board of Directors, there shall be set forth in the notice of the next meeting of Members for the election of Directors, the By-Law(s) so adopted, amended or repealed, together with a concise statement of the changes made.

ARTICLE XI – PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

No Director, Officer or employee of or member of a committee of or person connected with the Association, or any other private individual, shall receive at any time any of the earnings or pecuniary profit from the operations of the Association. This shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Association in effecting any of its purposes as shall be fixed by a vote of two-thirds (2/3rds) of the members at a meeting called for such purpose or the reimbursement for the costs and expense of attending Board of Directors meetings as may be fixed by the Board from time to time; and no such person or persons shall be entitled to share in the distribution or winding up of the affairs of the Association, whether voluntary or involuntary. The assets of the Association, after all debts have been satisfied, shall be distributed, transferred, conveyed, delivered and paid over, in such amounts as the Board may determine or as may be determined by a Court of competent jurisdiction, exclusively to charitable, religious, scientific, literary, or educational organizations that would then qualify under the applicable provisions of the Internal Revenue Code and its Regulations as they now exist or may hereafter be amended, relating to Charitable Organizations

ARTICLE XII - MISCELLANEOUS

Capitalized terms and words used in these By-Laws shall have the same meaning as attached to them in the Declaration unless the context clearly requires otherwise and then in such case the meaning shall be their common and ordinary meaning or, in alternate thereto, as the context would otherwise require in order to give meaning and effect to such terms and words.

THE UNDERSIGNED certifies that the foregoing By-Laws have been adopted as the By-Laws of the Corporation in the accordance with the requirements of the Corporation Law.

This the 23rd day of April, 2006.

Jodi B. Willis (SEAL)
Secretary