

BY-LAWS
OF
JAMES CREEK AT TREYBURN HOMEOWNERS ASSOCIATION, INC.

Article I

PURPOSE AND OBJECTIVES

The purpose shall be the management of a homeowner's association for the JAMES CREEK AT TREYBURN HOMEOWNERS ASSOCIATION, INC. including but not limited to the management of the use of the common area(s), the maintenance of the common area(s) and the setting of assessments for the upkeep of same.

Article II

MEMBERS

Section 1. This Association shall be a nonprofit corporation organized and existing under all Laws of the State of North Carolina, being governed by a Board of Directors as set forth in Article III of the By-laws and shall be with voting members.

Section 2. Any person owning a lot in the James Creek at Treyburn Homeowners Association, Inc. will be a member of the Association.

Section 3. ANNUAL MEETING: There shall be an annual meeting of the members of this Association to hear the annual report and to transact other business in accordance with the decision of the Board of Directors. Unless otherwise determined by the Board of Directors, the annual meeting of members shall be held in the second Thursday in October at a time and place designated by the President of the Association; provided, however, that should said day fall upon a legal holiday, then any such meeting shall be held at the same time and place to be determined by the Board of Directors. Notice of the annual meeting shall be given to all members of the Board of Directors and members of the Association. The notice required by this Section shall be delivered by mail to all members at least ten (10) days and not more than 50 days before such a meeting.

Section 3. SUBSTITUTE ANNUAL MEETINGS: If the annual meeting shall not be held on the day designated by these by-laws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Article III

BOARD OF DIRECTORS

Section 1. GENERAL POWERS: The business affairs of the Association shall be managed by the Board of Directors.

Section 2. NUMBER, TERM AND QUALIFICATION: The affairs of the Association shall be managed by a Board of three (3) Directors, who shall be entitled to act on behalf of the

Association. At the first annual meeting the members shall elect one Director for a term of one (1) year, one Director for a term of two (2) years and one Director for a term of three (3) years. Each Director shall hold office until the expiration of his or her term, or until his or her successor is elected and qualified. Thereafter, each elected Director shall serve a three (3) year term. All Directors elected by the membership must be Lot Owners.

Section 3. REMOVAL: Notwithstanding any provision in the Declaration or in these Bylaws to the contrary, the Lot Owners by a vote of three-fifths (3/5th) of the majority entitled to vote, may remove any member of the Board of Directors with or without cause other than those Directors appointed by the Declarant.

Section 4. VACANCIES: In the event of death, resignation, or removal of a Director, his/her successor shall be selected and appointed by the remaining Directors to serve until the next meeting of the membership.

Section 5. COMPENSATION: The members of the Board of Directors may not be compensated for their services in fulfilling their duties to the Association.

Section 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS: Each present and former Director and officer of the Association shall be indemnified by the Association against expenses reasonably incurred by him or her in connection with any threatened, pending, or completed action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been an officer or Director of the Association (whether or not he or she continues in that capacity at the time of incurring such expenses), except in disputes between himself or herself and the Association; and in those events, he or she shall be entitled to indemnification should a court of competent jurisdiction find the Association to be at fault. The foregoing right of indemnification shall be to the benefit of the legal representatives of any such person and shall not be exclusive of other rights to which any Director or officer may be entitled as a matter of law.

Section 7. SPECIAL COMMITTEES: The President may, at any time, appoint other committees on any subject for which there are no standing committees, or terminate any standing committee which does not serve any purpose. Each committee shall consist of at least one (1) Director in addition to committee volunteers.

Article IV

MEETINGS OF THE DIRECTORS

Section 1. REGULAR MEETINGS: The Board of Directors shall meet at least as often as once each fiscal quarter on the dates, times and the location established by a majority of the Board of Directors.

Section 2. NOTICE OF MEETING: Notice may be given thereof by telephone, telegraph, teletype or other form of wire or wireless communication or by written communication delivered by hand, United States mail or private carrier. Notice of the regular meeting of the Board of Directors shall be no less than five (5) days.

Section 3. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by or at the request of the President or by a majority of the Directors. If an emergency session is required, no notice is needed as long as the majority of the Directors are in attendance.

Section 4. QUORUM: A majority of the duly elected or appointed and qualified Directors of the Association shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. A majority of the Directors present at any meeting, whether or not a quorum is present, may adjourn the meeting from time to time without notice, other than announcement at the meeting, until a quorum shall attend.

Section 5. MANNER OF ACTING: Except as otherwise provided in this Section, the act of the majority of the 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 DIRECTORS: Action taken by a majority of the Directors without meeting is nevertheless Board action if written consent to the action in question is signed by all the Directors and filed with the Minutes of the proceedings of the Board, whether done before or after the action is so taken.

Article V

OFFICERS

Section 1. NUMBER: The Association shall have a President, Vice-President, and Secretary/Treasurer. One person may act as Vice-President and Secretary or Treasurer. However, no officer may act in more than one capacity where the action of two (2) or more offices is required.

Section 2. ELECTION AND TERM: The officers of the Association shall be elected among the Board of Directors. Such elections may be held at any regular or special meeting of the Board or of the membership. Each officer shall hold office for one (1) year, or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified.

Section 4. PRESIDENT: The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and the Board of Directors. Subject to the direction and control of the Board of Directors, the President shall have general charge and authority over the business of the Association. The President shall sign with any other proper officer any deeds, mortgages, bonds, contracts, or other instrument which may be lawfully executed on behalf of the Association, except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent. In general, the President shall perform all duties as may be prescribed by the Board of Directors from time to time, including the appointment of various committees from the membership in order to carry out the business of the Association as approved by the Board of Directors.

Section 5. VICE-PRESIDENT: The Vice-President shall perform the duties of the President in their absence or during their inability to act. The Vice-President shall have such other duties and powers as may be assigned to or vested in them by the Board of Directors.

Section 6. SECRETARY: The Secretary shall keep accurate records of the acts and proceedings of all meetings of the members and Directors. The Secretary shall give all notices required by law and by these by-laws. He or she shall have general charge of all books and records. The Secretary shall then sign such instruments as may require his or her signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned to the Secretary from time to time by the President, or by the Board of Directors.

Section 7. TREASURER: If the Association is self-managed and chooses not to delegate the handling of the Association monies to a professional management company, then there shall be elected a Treasurer of the Association that shall be bonded by a reputable insurance or surety company. The Treasurer then shall (a) have charge and custody of and be responsible for all funds and securities of the Association (b) shall receive and give receipt for all monies due and payable to the Association from any source whatsoever and deposit all such monies in the name of the Association in depositories in accordance with the Covenants; (c) prepare, execute and deliver certificates of assessments as may be required by the Declaration or by Chapter 47F of the North Carolina General Statutes; and (d) in general perform all of the duties incident to the office of Treasurer and such other duties as assigned from time to time by the President, or the Board of Directors.

Section 8. OTHER DUTIES OF OFFICERS: The duties of all other officers and employees not defined in these By-Laws shall be prescribed and fixed by the President and in carrying out the authority to do all other acts necessary to be done to carry out the prescribed duties unless otherwise ordered by the Board of Directors, including, but not limited to, the power to sign, certify or endorse notes, certificates of indebtedness, deeds, checks, drafts or other contracts for and on behalf of the Association.

Section 9. BONDS: The Board of Directors may require any or all officers, agents and employees of the Association to give bond to the Association with sufficient sureties, conditioned of the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.

Article VI

BOOKS AND RECORDS

The books and records of the Association shall be subject to inspection by any member or a mortgagee of any member during reasonable business hours.

Article VII

AMENDMENT

These Bylaws may be amended from time to time by assent of 75% of the membership.