

BY-LAWS OF

BADIN SHORES RESORT OWNERS' ASSOCIATION, INC.

ARTICLE I.
IDENTITY

The following By-Laws shall govern the operation of Badin Shores Resort Owners' Association, Inc., described and named in the Declaration of Covenants and Restrictions to which these By-Laws are attached; Badin Shores Resort Owners' Association, Inc., being a North Carolina non-profit corporation organized and existing under Chapter 55-A of the North Carolina General Statutes.

Section 1. The office of the Association shall be at the Property, or at such other place as may be subsequently designated by the Board of Directors.

Section 2. The Seal of the Association shall bear the name of the Corporation, the town and state where located, and the year of incorporation.

ARTICLE II.
MEMBERSHIP AND VOTING PROVISIONS

Section 1. The Association shall not issue stock or certificates.

Section 2. Membership in the Association shall be limited to Owners as identified in the preceding Declaration. Transfer of Lot ownership, either voluntary or by operation of law, shall terminate membership in the Association. If ownership of a lot is vested in more than one person, eligibility to hold office shall be limited to any one of the persons owning said lot during a concurrent period. If more than one person or group of members own a lot, the owners shall collectively designate one individual for the purpose of voting.

Section 3. (a) On all matters relating to the Association upon which a vote of the Owners is conducted, the Owner shall be entitled to cast one (1) vote for each Lot owned as designated in Article II, Section II. If an Owner owns more than one (1) Lot, the Owner shall be entitled to one (1) vote for each Lot owned. The vote of a Lot shall not be divisible. No Owner delinquent in the payment of the Association fee ("Assessment") for a period greater than ninety (90) days shall be allowed to cast its vote until the arrears Assessment is paid in full. (b) A majority of the Owners casting votes shall decide any question unless the By-Laws or the Declaration provides otherwise, in which event the voting percentage required in the By-Laws or the Declaration shall control.

Section 4. Quorum. Unless otherwise provided in these By-Laws, the presence in person or by proxy of 25% of the Owners shall constitute a quorum.

Section 5. Proxies. Any Owner may by written proxy, designate the Board of Directors to cast the Owner's vote. However, if said proxy is given to the Board of Directors, it shall be for the expressed purpose to constitute a quorum and cannot change the outcome of the vote. A proxy may be revocable at will. No proxy shall be honored until delivered to the Secretary of the Association prior to the meeting in which it is to be used and shall state the date for the particular meeting in which it is in effect.

Section 6. Consents. Any action which may be taken by a vote of the Owners may also be taken by written consent to such action signed by all Owners.

ARTICLE III.
MEETING OF THE MEMBERSHIP

Section 1. Place. All meetings of the Association membership shall be held at the Property, or at such other place and time as shall be designated by the Board of Directors of the Association and stated in the Notice of Meeting.

Section 2. Notice of Meetings. Written notice of every annual or special meeting of the Association stating the time, date, and place of the meeting shall be given to every Owner not fewer than ten (10) and not more than one hundred (100) days in advance of the meeting. Failure to give proper notice of a meeting of the Owners shall invalidate any action taken in such meeting.

Section 3. Annual Meetings. The annual meeting shall be held on the Property on the second Saturday in March or at such other place and time as shall be designated by the Board of Directors, for the electing of directors and transacting other business authorized to be transacted by the members. At the annual meeting, the members shall elect by a plurality vote (highest votes received for the number of vacancies), a Board of Directors and transact such other business as may properly be brought before the meeting. On any ballot, an individual may receive only one (1) vote.

Section 4. Special Meetings. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the President of the Association at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of 25% of the Association membership provide the request shall state the purpose or purposes of the proposed meeting.

Section 5. Minutes of Meeting. The Secretary of the Association shall prepare and keep, or cause to be kept, accurate minutes of every meeting of the Association. Such minutes shall be made available for examination and copying by any Owner at any reasonable time. An Owner wishing to examine the minutes shall make the request in writing allowing at least seventy-two (72) hours advance notification and shall defray reasonable expenses incurred by such examination. The examination shall be conducted at the Association office by appointment at a mutually designated time and date. A Board Member in addition to a member of office personnel shall be present during said examination.

Section 6. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of voting members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 7. Conduct of Meeting. When in dispute as to proper order or procedures in the conduct of any meeting of the Association, where ever or why ever called, Roberts Rules of Order shall prevail, the latest edition at hand shall control over earlier editions of the same.

ARTICLE IV.
BOARD OF DIRECTORS

Section 1. Form of Administration. The Association shall act by and through its Board of Directors.

Section 2. Powers and Duties: The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Association and may carry out all such acts as are not by law or by the Declaration or by these By-Laws directed to be exercised and done by the Owners. These powers shall specifically include, but shall not be limited to, the following:

- (a) To exercise all powers specifically set forth in the Declaration, in these By Laws, the Articles of Incorporation of this Association and all powers incidental thereto.
- (b) To make assessment, collect said assessments, and use and expend the assessments to carry out the purposes and powers of the Association.
- (c) To employ, dismiss and control the personnel necessary for the maintenance and operation of the Property and of the Common Properties and facilities, including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises.
- (d) Except as specifically provided otherwise herein, to make and amend regulations respecting the operation and use of the Properties and the use and maintenance of the Lots therein.
- (e) To contract for the management of the Association and to designate to such contractor all of the powers and duties of the Association except those which may be required by the Declaration to have approval of the Board of Directors or the membership of the Association.
- (f) To designate one or more committees, which, to the extent provided in the resolution designating such committee, shall have the power of the Board of Directors in the management of the business and affairs of the Association. Such committee shall consist of at least three (3) members of the Association, one of whom shall be a Director. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors and said committee shall keep regular minutes of their proceedings and report the same to the Board of Directors as required.
- (g) To issue and disburse the proceeds of assessments in the exercise of its powers and duties in accordance with the Declaration and By-Laws of the Association.
- (h) The maintenance, repair, replacement and operation of the Property.
- (i) The reconstruction of improvements after casualty and the further improvement of the Property.
- (j) To enforce by legal means the provisions of the Declaration, the Articles of Incorporation, the By-Laws of the Association, and the rules and regulations for the use of the Property.
- (k) To pay taxes and assessments, which are liens against any part of the Property other than properties that are not deeded to a private entity and the appurtenances thereto, and to assess the same against the Owner subject to such lien.
- (l) To pay all cost of all powers, water, sewer and other utility services rendered to the Property that are not billed to individual Owners.

The foregoing powers shall be exercised by the Board of Directors, its assigns, contractors, or employees subject only to the approval by Owners when such is required.

Section 3. Qualification Only an individual who is an Owner, or who together with another person or other persons is an Owner, or who is an officer of a corporation, a general partner of a partnership, an associate of an association, a trustee of a trust, or a managing agent of any other legal entity which is an Owner, or which together with another person or other persons is an Owner and at least eighteen (18) years of age may be elected to serve as a Director of the Association.

Section 4. Election and Term The Board of Directors shall be elected and shall serve as follows:

All terms for Directors shall be for two years and all Boards shall consist of seven (7) members elected on a four (4) three (3) rotation cycle. No Board of Directors shall consist entirely of new persons, and no Board shall, in its entirety, stand for election at any one time.

Section 5. Vacancies Any vacancy on the Board of Directors shall be filled by the appointment by the majority of the remaining Directors, and the new Directors shall serve for the unexpired term of the predecessor.

Section 6. Voting Each Director shall have one vote on all matters acted upon by the Board of Directors. The affirmative vote of the majority of the Directors shall be sufficient for any action unless otherwise specified in the Declaration or these By-Laws.

Section 7. Quorum Five Directors shall constitute a quorum.

Section 8. Consents Any action, which may be taken by a vote of the Board of Directors, may also be taken by written consent to such action signed by all Directors. All such consent actions shall be entered in the minutes of the next regular constituted meeting of the Board of Directors.

Section 9. Referendum Any decision voted by the Association shall be binding upon the Board of Directors and shall supersede any previous inconsistent action or make invalid any subsequent inconsistent action taken by the Board of Directors. No such action by the Owners shall impair the enforceability of any contract duly authorized or entered into by the Board of Directors pursuant to authority granted in the Declaration or By-Laws.

Section 10. Annual Meeting A meeting of the Board of Directors shall be held each fiscal year within thirty days preceding the annual meeting of the Association. Any business, which is appropriate for action of the Board of Directors, may be transacted at said meeting.

Section 11. Regular Meeting Regular meetings of the Board of Directors shall be held monthly at such time, date, and place as the Board of Directors may determine from time to time. Any business, which is appropriate for action of the Board of Directors, may be transacted at a regular meeting.

Section 12. Special Meeting Special meetings of the Board of Directors may be called from time to time by the President of the Association or may be called upon the written request of two of the Directors.

Section 13. Executive Meeting Executive Meetings of the Board of Directors shall be held pursuant to a regular constituted meeting of the Board of Directors for the expressed purpose of personnel matters or acquisition of property or services. In order for an executive meeting to occur, a motion shall be made during a regular or special constituted meeting by a majority of the quorum.

Section 14. Notice of Meeting Written notice of every regular or special meeting of the Board of Directors stating the time, date, and place of the meeting and, in the case of a special meeting, the business proposed to be transacted shall be given to every Director not fewer than three nor more than ten days in advance of the meeting. Failure to give proper notice of a meeting of the Board of Directors shall not invalidate any action taken at such meeting unless (a) a Director who was present but was not given proper notice objects at such meeting, in which case the matter to which such Director objects shall not be taken up, or (b) a Director who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty (30) days following such meeting, in which case the action to which such Director objects shall be void.

Section 15. Waiver of Notice Waiver of notice of a meeting of the Board of Directors shall be deemed the equivalent of proper notice. Any Director may in writing waive notice of any meeting of the Board of Directors either before or after such meeting. Attendance at a meeting by a Director shall be waiver by such Director of notice of the time, date, and place of the meeting unless such Directors specifically object to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

Section 16. Minutes of Meetings Minutes of regular, special, and executive meetings shall be maintained in accordance with all subsequent sections of the Declaration and these By-Laws. However, minutes of executive sessions or the content thereof shall not be divulged by any Director, assigns, or employee of the Association without the unanimous vote of the Board of Directors.

Section 17. Compensation The Directors may receive such compensation and reimbursement for expenses incurred in the conduct of their duties as the Association may determine.

Section 18. Removal of Director A member of the Board of Directors may be removed at any time with or without cause by the affirmative vote of fifty-one (51%) of the members of the Association. The Board of Directors may also remove a member for serious misconduct in office or conviction of a felony with the affirmative vote of five of the remaining directors. Serious misconduct shall include, but not be limited to, the following:

- (a) Wanton disregard for upholding the provisions of the Declaration and these By-Laws
- (b) Acceptance of any gift, service, or other compensation to influence a vote by a Director at a constituted meeting of the Board of Directors
- (c) Failure to discharge duties as a Director by virtue of irregular attendance at a regularly scheduled meeting.

ARTICLE V. OFFICERS

Section 1. Elective Officers The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The President, Vice President, and Secretary shall all be members of the Board of Directors. The position of the Treasurer may be filled from within the membership of the Board of Directors or a qualified individual or firm as approved and contracted with by the Board of Directors. No one person shall hold more than one (1) of the aforesaid offices concurrently.

Section 2. Election The officers of the Association designated in Section 1 above shall be elected annually by the Board of Directors at the organizational meeting of each new Board following the meeting of the members.

Section 3. Appointive Officers The Board of Directors may appoint an Assistant Secretary and an Assistant Treasurer and such other appointed positions as the Board deems necessary, and to grant them the duties it deems appropriate.

Section 4. Term The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed from that office at any time, with or without cause, by the Board of Directors; provided, however, that no officer shall be removed

except by the affirmative vote for removal of a majority of the whole Board of Directors (e.g. if the Board of Directors is composed of seven (7) persons, then four (4) of the said Directors must vote for removal). If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors. Unless otherwise provided in these By-Laws, the officers shall serve without compensation.

Section 5. The President The President shall preside at all meetings of the Owners and of the Board of Directors. The President shall have general supervision over the affairs of the Association and other officers. The President shall have the responsibility to ensure all decisions by the Board of Directors are carried out. The President shall sign all written contracts and perform all of the duties incident to the office, which shall be delegated from time to time by the Board of Directors.

Section 6. The Vice President The Vice President shall perform all of the duties of the President due to absence or disability and such other duties as may be required from time to time by the Board of Directors.

Section 7. The Secretary The Secretary shall issue notices of all Board of Directors meetings and meetings of the owners; and shall attend and keep the minutes of the same. The Secretary shall have charge of all of the Association's books, records and papers except those kept by the Treasurer. The Secretary shall be the designated Registered Agent of the Association.

Section 8. The Treasurer The Treasurer shall have custody of the Association funds and securities and shall keep full accurate accounts of receipts and disbursements in records belonging to the Association and shall deposit all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors. The Treasurer will disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws and the annual budget. The Treasurer shall render to the Board of Directors at the regular monthly meeting of the Board of Directors, or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Association. The Treasurer shall collect the assessment and shall promptly report the status of collections and of all delinquencies to the Board of Directors and shall give status reports to potential transferees, on which reports the transferees may rely.

ARTICLE VI. FISCAL MANAGEMENT

Section 1. Depositories The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time, upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors.

Section 2. Fiscal Year The fiscal year of the Association shall begin on the first day of January of each year; provided however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable.

Section 3. Determination of Assessments Assessments shall be determined as follows:

- (a) The Board of Directors of the Association shall fix and determine from time to time the sum or sums of money necessary and adequate for the common expenses of the Property. Common expense shall include expense for the operation, maintenance, repair or replacement of the Common Properties, costs of carrying out the power and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, and any other expenses designated

as common expenses from time to time by the Board of Directors of the Association. Funds for the payments of common expenses shall be assessed against the Owners in the proportions of percentage of sharing common expenses as provided in the Declaration. Said assessment shall be payable as ordered by the Board of Directors.

- (b) Special Assessment, should such be required by the Board of Directors, shall be levied in the same manner as herein before provided for regular assessments, and shall be payable in the manner determined by the Board of Directors. A special assessment shall be used wholly and fully for the intended purpose for which it was assessed.
- (c) When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each Owner a statement of a said Owner's assessment. All assessments shall be made payable to the Association and, upon request, the Owner shall be given a receipt for each payment made.

Section 4. Application of Payment and Commissions of Funds All sums collected by the Association from assessments may be commingled in a single fund, or divided into more than one fund, as determined by the Board of Directors. All assessment payments by an Owner shall be applied as to interest, delinquencies, cost and attorney's fees, other charges, expenses or advances, as provided herein and in the Declaration, and general assessments in such manner as the Board of Directors determines at its sole discretion.

Section 5. Annual Audit An audit of accounts of the Association shall be made annually by a Certified Public Accountant, and a copy of the report shall be available for inspection by the members at the office of the Association not later than three (3) months after the end of the year for which the report is made.

ARTICLE VII. SUBSTANTIAL ADDITION OR ALTERATIONS

There shall be no substantial additions, alterations, or use of the Common Properties unless the same are authorized by a majority vote of the Board of Directors and ratified by the affirmative vote of the members casting not less than fifty-one (51) percent of the total votes of the members of the Association.

ARTICLE VIII. COMPLIANCE AND DEFAULT

Section 1. Violations In the event of a violation (other than the nonpayment of an assessment) by an Owner of any of the provisions of the Declaration or of these By-Laws, the Association, by direction of its Board of Directors, may notify the Owner by written notice of said breach, transmitted by certified or registered mail, and if such violation shall continue for a period of thirty (30) days from the date of the notice, the Association, through its Board of Directors, shall have the right to treat such violation as intentional and inexcusable and material breach of the Declaration or of these By-Laws, and the Association may then, at its option, have the following electives:

- (a) An action at law to recover for its damage on behalf of the Association or on behalf of the other Owners,
- (b) An action in equity to enforce performance on the part of the Owner,
- (c) An action in equity for such equitable relief as may be necessary to undo the circumstances, including injunctive relief. Upon a finding by the court that the violation complained of has

occurred, the Owner so violating shall reimburse the Association for reasonable attorney's fees incurred by its bringing such action.

- (d) Any violations which are deemed by the Board of Directors to be hazardous to public health may be corrected immediately as an emergency matter by the Association, and cost thereof shall be charged to the Owner as a specific item which shall be a lien against said Lot with the same force and effect as if the charge were a part of the common expense.

Section 2. Negligence or Carelessness of Owner Etc. All Owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by acts of negligence or carelessness, or by that of any member of owner's family, guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association, if any. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies or rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this Section, shall be a charged to said Owner as a specific item which shall be a lien against said Lot with the same force and effect as if the charge were a part of the common expense. Said lien shall be subordinate to the lien of any first mortgage on a given Lot.

Section 3. Costs and Attorney's Fees In any proceeding brought by the Association to enforce the provisions of the Declaration, the By-Laws or any rules and regulations promulgated thereunder arising because of an alleged default by an Owner, the Association shall be entitled to recover the cost of the proceeding and such reasonable attorney's fees as may be determined by the court should the Association prevail.

Section 4. No Waiver of Rights The failure of the Association, or of an Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration and these By-Laws shall not constitute a waiver of the right of the Association or Owner to enforce such right, provision, covenant or conditions of the future.

Section 5. No Election of Remedies All rights, remedies and privileges granted to the Association or Owner pursuant to any terms, provisions, convenience or conditions of the Declaration and By-Laws shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election or remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such other party by the Declaration, the By-Laws, or at law or in equity.

ARTICLE IX. ACQUISITION OF UNITS

At any foreclosure sale of a lot, the Board of Directors may, acquire in the name of the Association or its designee, the Lot being foreclosed, provided such Lot is necessary or beneficial to the entire Association. The term "foreclosure" as used in this Article shall mean and include any foreclosure of any lien, including a lien for assessments. The power of the Board of Directors to acquire a Lot at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the Board of Directors, or of the Association, to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power in the Board of Directors to do so should the requisite approval of the membership be obtained.

ARTICLE X.
AMENDMENT TO THE BY-LAWS

These By-Laws may be altered, amended or added to at any duly called meeting of the Owners, provided:

- (a) Ninety (90) day notice to the membership has occurred prior to the date of the vote and said notice shall contain a statement of the proposed amendment.
- (b) The Amendment receives a fifty-one (51) percent vote of the membership.

ARTICLE XI.
INDEMNIFICATION

The Association shall protect every director and every officer, their heirs, executors and administrators against all loss, cost and expenses reasonably incurred by a director in connection with any action, suit or proceeding to which said director may be made a party by reason of being or having been a director or officer of the Association, except as to matters wherein the director shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Directors or Officer may be entitled.

ARTICLE XII.
LIABILITY SURVIVES TERMINATION OR MEMBERS

The termination of membership in the Association shall not relieve or release any such former Owner from any liability for obligations incurred under or in any way connected with the Property during the period of such ownership or impair any rights or remedies which the Association may have against such former Owner arising out or in any way connected with such ownership and the covenants and obligations incident thereto.

ARTICLE XIII.
LIMITATION OF LIABILITY

Notwithstanding, the duty of the Association to maintain and repair parts of the Property, the Association shall not be liable for injury or damage caused by a latent condition in the Property, nor for injury or damage caused by the elements of or by other Owners or persons.

ARTICLE XIV.
PARLIAMENTARY RULES

Robert's Rule of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration or these By-Laws.

ARTICLE XV.
LIENS

Section 1. Protection of Property All liens against a Lot, other than for permitted mortgages, taxes, or special assessments, or as provided for in Article VIII, Section 2 hereof, shall be satisfied or otherwise removed within ninety (90) days of the date the lien attaches. All taxes and special assessments upon a Lot shall be paid before becoming delinquent, as provided in the Declaration and these By-Laws, or by law, whichever is sooner.

Section 2. Notice of Lien An Owner shall give notice to the Association of every lien upon a Lot, other than for permitted mortgages, taxes and special assessments, or said Article VIII, Section 2 lien within thirty (30) days after the attaching of the lien.

Section 3. Notice of Suit An Owner shall give notice to the Association of every suit or other proceeding which will or may affect title to Owner's Lot or any other part of the Property, such notice to be given within five (5) days after the Owner received notice thereof.

Section 4. Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

Section 5. Permitted Mortgage Register At the request of mortgagee, the Association shall forward copies of all notices for unpaid assessments or violations served upon an Owner to said mortgagee.

ARTICLE XVI.
RULES AND REGULATIONS

Section 1. As to Common Elements The Board of Directors may from time to time adopt or amend previously adopted administrative rules and regulations governing the details of the operation, use, maintenance, management and control of the Common Properties and any facilities or services made available to the Owners, provided all are in accordance with the Declaration and these By-Laws. The Board of Directors shall from time to time post in a conspicuous place on the Property a copy of the rules and regulations adopted from time to time by the Board of Directors.

Section 2. As to Lots The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the Lots, provided, however, that copies of such rules and regulations are furnished to each Owner prior to the time the same become effective and, where applicable or desirable, copies thereof shall be posted in a conspicuous place on the Property.

Section 3. Resort Rules and Regulations The Resort rules and regulations shall be deemed in effect until amended by the Board of Directors with respect to amendments wherever contained in these By-Laws and shall apply to and be binding upon all Owners. The Owners shall at all times obey said rules and regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control and supervision. Financial penalties shall be assessed for violations against the Owner as stated in the Park Rules, Regulations, and Information.

Section 4. Building Rules and Regulations All buildings must comply with the Montgomery County RV Resort Ordinance and the Badin Shores Resort Building Regulations.

Section 5 Conflict In the event of any conflict between the By-Laws and the Declaration, the latter shall prevail.

APPROVED AND DECLARED AS THE BY-LAWS OF BADIN SHORES RESORT OWNERS' ASSOCIATION, INC., A NON-PROFIT CORPORATION.

This the 16th day of March, 2001

BADIN SHORES RESORT OWNERS' ASSOCIATION, INC.

By: _____

President

ATTEST:

Secretary

CORPORATE SEAL

STATE OF NORTH CAROLINA
MONTGOMERY COUNTY

I, Teresa Carol Richardson, a notary public of Randolph County, do hereby certify that Jim Bryson personally came before me this day and acknowledged that he is the Secretary of Badin Shores Resort Owners' Association, Inc. and that, by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and official seal this the 16th day of March, 2001.

_____(Seal)

My Commission Expires: October 28, 2004