

**BYLAWS
OF
SOUTH HARBOUR MASTER POA, INC.**

**A Corporation not for profit under the
laws of the State of North Carolina**

Article I

GENERAL INFORMATION

1. Name and purpose. The name of the Corporation shall be **SOUTH HARBOUR MASTER POA, INC.**, and the purpose of said Master Association shall be the management of a Master Association for the development known as **South Harbour Village**, a multi-purpose and multi-use development, including, but not limited to, the ownership of and management of the use of the Common Areas and Shared Common Areas, the maintenance of the Common Areas and Shared Common Areas and the setting of assessments for the upkeep of same, all as are defined in the Master Declaration of Covenants, Conditions, and Restrictions of South Harbour Village as the same as recorded in Book 2104 at Page 574 of the Brunswick County, North Carolina, Registry (herein after the "Master Declaration"). The Association shall, among the other purposes defined herein, provided by law, and as stated in the Master Declaration, have the right and duty to serve as the Master Association as is defined by the said Master Declaration.

2. Applicability. The provisions of these By-Laws are binding on all members of the Master Association as the same are defined by the Master Declaration, their tenants, guests, invitees, agents, employees, grantees, successors and assigns.

3. Definitions. The definitions of the terms used herein shall be the same as the definitions set out in the said Master Declaration which has been recorded in the Brunswick County, North Carolina, Registry.

4. Conflict with Articles of Incorporation, Master Declaration. Should there be determined to be any conflict between the terms of these By-Laws and the Articles of Incorporation of the Corporation, the terms and conditions of the said ARTICLES OF INCORPORATION shall control and take precedence in any such conflict. However, should any conflict between any between the terms of these By-Laws, the Articles of Incorporation of the Corporation, and the said Master

Declaration, the terms of said Master Declaration shall control and take precedence in any conflict.

Article II

OFFICES

Section 1. PRINCIPAL OFFICE: The principal office of the Corporation shall be located in Brunswick County at 5001 O'Quinn Blvd., Unit J, Southport, N.C. 28461.

Section 2. REGISTERED OFFICE: The registered office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office. The registered office shall be located in Brunswick County, North Carolina, at 5001 O'Quinn Blvd., Unit J, Southport, N.C. 28461.

Article III

EXECUTIVE DIRECTORS

Section 1. GENERAL POWERS: The business and affairs of the Corporation shall be managed by the Executive Board (the "Board").

Section 2. NUMBER, TERM AND QUALIFICATION: Except for the initial Board, which shall consist of up to three (3) members, the affairs of the Association shall be managed by a Board of up to eleven (11) members. The Declarant as defined in the Master Declaration above noted shall, for a period of two years following the first Board meeting, have the authority to name all the members of one successor Board, which Board shall serve for a period of one year. Also with the exception of the initial Board and the successor Board named by the Declarant, all future Board members shall each be unit or slip owners within the development. Other than for the initial Board and any immediately succeeding or "successor" Board named by the Declarant as provided above, all future succeeding Boards shall be elected as follows: The members shall elect five (5) Board members for staggered terms of office. By way of illustration, at the first Annual Meeting after the term of the first successor Board named the Declarant expires, the Members shall elect three (3) Board members to serve a two (2) year term and two (2) members to serve a one (1) year term. Thereafter, all members of the Board shall be elected for two (2) year terms.

Section 3. ELECTION OF BOARD MEMBERS: Except as provided in Section 2 of Article III above, the Board members shall be elected at the annual meeting of the Master Association. Those

persons who receive the highest number of votes shall be deemed to have been elected. In the event any vacancy shall occur because of death, resignation, incapacity to act, or removal of a Board member, the members shall, within a reasonable time, fill the vacancy.

Section 4. REMOVAL: Except for the initial Board and any Board member selected or designated by Point Associaes, LLC, all of whom shall be exempt from this bylaw provision, Board members may be removed from office with or without cause by a majority of the members of the Association. If any Board members are so removed, new Board members may be elected at the same meeting.

Section 5. VACANCIES: A vacancy occurring in the Board shall be filled by a vote of the majority of the members of the Association, even though less than a quorum. A Board member elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 6. COMPENSATION: Members of the Board may not be compensated for their services in fulfilling their duties to the corporation without the approval of majority vote the membership.

Section 7. INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS: Each present and former Board member and officer of the Corporation shall be indemnified by the Corporation 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 Board member of the Corporation (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 Corporation; and in those events, he or she shall be entitled to indemnification should a court of competent jurisdiction find the Corporation to be at fault. The foregoing right of indemnification shall inure to the benefit of the legal representatives of any such person, and shall not be exclusive of other rights to which any Board member or officer may be entitled as a matter of law.

Article IV

MEETINGS OF THE EXECUTIVE BOARD MEMBERS

Section 1. REGULAR MEETINGS: The first regular meetings of each newly elected Board shall be held immediately after adjournment of the meeting at which they were elected provided a quorum is present. Subsequent regular meetings of the Board

will be held at such time and place as may be fixed from time to time by resolution of the Board.

Section 2. SPECIAL MEETINGS: Special meetings of the Board may be called at any time by the President, on or at such other place, as shall be designated in the notice of the meeting agreed upon by a majority of the Board members entitled to vote thereat.

Section 3. NOTICE OF MEETINGS: Written or printed notice stating the time and place of the meeting shall be delivered not less than five (5) or more than fifty (50) days before the date thereof, either personally or by mail, by or at the direction of each President, Secretary or other person calling the meeting, to each member of record entitled to vote at such meeting. In case of an annual or substitute meeting, the notice of meeting need not specifically state the business to be transacted. In case of a special meeting, the notice of meeting shall not necessarily state the purpose or purposes for which the meeting is called. When a meeting is adjourned for thirty (30) 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 (30) days in any one adjournment, it is not necessary to give notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken. Attendance by a Board member at a meeting shall constitute a waiver of notice of such meeting, except where a Board member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called.

Section 4. QUORUM: A majority of the duly elected or appointed and qualified Board members of the Association shall constitute a quorum for the transaction of business at any meeting of the Board. A majority of the Board 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.

Section 6. INFORMAL ACTION BY BOARD: Action taken by a majority of the members of the Board without meeting is nevertheless Board action if written consent to the action in question is signed by all the Board members, and filed with the

Minutes of the proceedings of the Board, whether done before or after the action is so taken.

Section 7. REPRESENTATIVE TO MASTER ASSOCIATION: One member of the Board shall be designated by the Chairman to represent the corporation at all meetings of any Master Association incorporated to maintain all shared common areas, the maintenance and/or upkeep of which the corporation will have a pro rata obligation.

Article V

OFFICERS

Section 1. NUMBER: The Association shall have a President, Vice President, Secretary, Assistant Secretaries, and Treasurer, all of whom may be elected annually by the Board from the membership. Any two or more offices may be held by the same person, except the office of President and Secretary. 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 Corporation shall be elected by the Board. Such elections may be held at any regular or special meeting 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, unless otherwise specified by the members. The members may fill any vacancy in any office occurring for whatever reason.

Section 3. REMOVAL: Any officer or agent elected or appointed by the members may be removed by the members with or without cause, except that in the case of the Chairman, he/she shall not be removed by less than a three fourths (3/4) majority vote of the members.

Section 4. PRESIDENT: The President shall be the Chief Executive Officer of the Corporation and shall preside at all meetings of the members and the Board. Subject to the direction and control of the Board, he/she shall have general charge and authority over the business of the Corporation. He/she shall make reports of the business of the Corporation for the preceding fiscal year to the Directors at each annual meeting. He/she shall sign with any other proper officer any deeds, mortgages, bonds, contracts, or other instrument which may be lawfully executed on behalf of the Corporation, except where the

signing and execution thereof shall be delegated by the Board to some other office or agent. In general, he/she shall perform all duties as may be prescribed by the Board from time to time, including the appointment of various committees from the membership in order to carry out the business of the Corporation as approved by the Board.

Section 5. VICE-PRESIDENT: The Vice_President shall perform the duties of the President in his/her absence or during his/her inability to act. The Vice_President shall have such other duties and powers as may be assigned to or vested in him/her by the Board.

Section 6.1 SECRETARY: The Secretary shall keep accurate records of the acts and proceedings of all meetings of shareholders and Board members. He/she shall give all notices required by law and by these By-Laws. He/she shall have general charge of all corporate books and records and of the corporate seal, and he/she shall affix the corporate seal to any lawfully executed instrument for which a corporate seal is required. He/she shall then sign such instruments as may require his/her signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned to him/her from time to time by the President, or by the Board.

Section 6.2. ASSISTANT SECRETARIES: Any duly elected Assistant Secretary shall fulfill the duties of the Secretary in his or her absence.

Section 7. TREASURER: The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board. The Board may appoint a custodian or a depository for any such funds and securities and may designate those persons upon whose signature or authority such funds and securities may be disbursed or transferred. He/she shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose; and he/she shall cause a true statement of its assets and liabilities as of the close of each fiscal year within four (4) months after the end of such fiscal year. The Treasurer shall, in general, perform all duties incident to this office and such other duties as may be assigned to him/her from time to time by the President or the Board.

Section 8. EXECUTION OF DOCUMENTS: The following officers are hereby authorized, empowered and directed to prepare,

execute, certify and record amendments to the Declaration above noted on behalf of the corporation:

Execution of documents by the President or Vice President.
Attestation of documents by the Secretary or Assistant Secretary.

Article VI

MEMBERS

Section 1. This Corporation shall be a non profit Corporation organized and existing under all Laws of the State of North Carolina, being governed by an Executive Board as set forth in Article III of these By-Laws.

Section 2. There shall be three classes of members. Membership shall be as prescribed in the Master Declaration and all amendments thereto.

Section 3. ANNUAL MEETING: There shall be an annual meeting of the members of this Corporation to hear the annual report of the Corporation and to transact other business in accordance with the decision of the Board. Unless otherwise determined by the Board, the annual meeting of members shall be held in the month of _____ at a time and place designated by the Chairman of the Corporation. Notice of the annual meeting shall be given to all members of the Board and members of the Corporation. The notice required by this Section shall, in all respects, comply with the notice required by Article IV, Section 4 of these Bylaws for notice to members of the Board in case of a special meeting of said Board.

Article VII

CONTRACTS, LOANS, DEPOSITS, AND MISCELLANEOUS PROVISIONS

Section 1. CONTRACTS: The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. LOANS: No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the members. Such authorization 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 Corporation shall be signed by such officer or officers, agent or agents of the Corporation, and in such manner as shall from time to time be determined by resolution of the Board.

Section 4. DEPOSITS: All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as the Board shall direct.

Section 5. FISCAL YEAR: Unless otherwise ordered by the Board, the fiscal year of the Corporation shall be from January 1 through December 31 of each calendar year.

Section 6. AMENDMENTS: Except as otherwise provided herein, and particularly subject to the rights of Point Associates, LLC, and/or South Harbour Village Associates, LLC, these By-Laws may be amended or repealed and new Bylaws may be adopted by the affirmative vote of three-fifths (3/5) of the votes cast pursuant to Article VI of the Articles of Incorporation.

Section 7. SEAL: The corporate seal of the Corporation shall consist of two concentric circles between which is the name of the Corporation and in the center of which is inscribed "Seal".

Article VIII

PROHIBITED ACTIVITIES

Other provisions of these By-Laws notwithstanding, the Corporation shall not engage in any act of self dealing as defined in Section 4941, Subdivision (d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal excise law; nor retain any excessive business holdings as defined in Section 4943 Subdivision (c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws; nor make any investment in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws; nor make any taxable expenditures as defined in Section 4945, Subdivision (d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws. The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of

1954, or the corresponding provisions of any subsequent federal tax laws.

Article IX

OTHER MATTERS PERTAINING TO NON-PROFIT STATUS


Section 1. EARNINGS: No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, any Board member, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, and to make payments and distributions in furtherance of the purposes set forth in the Articles hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of a candidate for public office.


Section 2. EXEMPT FUNDS: Notwithstanding any other provisions of these Articles, this Corporation shall not carry on any other activities not permitted to be carried on by (a) Corporation exempt from federal income tax under any section of the Internal Revenue Code of 1954, or the corresponding provisions of any future United States Internal Revenue Law, or, (b) Corporation, contributions to which are deductible under Section 170(a)(2) of the Internal Revenue Code of 1954, or any other corresponding provisions of any future United States Internal Revenue law.


Section 3. DISSOLUTION: Upon the dissolution of the Corporation, the Board shall, after paying and making provision for payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes, or a successor Association, or any other organization as shall at the time qualify as an exempt organization or organizations under Section 501 or any other section of the Internal Revenue Code of 1954 (or corresponding provision of any future United States Internal Revenue Law), as the Board shall determine. Any such asset not so disposed of shall be disposed of by the Superior Court of the County in which the principal office of

the Corporation is then located exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

IN TESTIMONY WHEREOF, the foregoing were adopted as the By-Laws of **SOUTH HARBOUR MASTER POA, INC.**, at the first meeting of the Executive Board on the ____ day of _____, 2005.

 (SEAL)
PAM LAWRENCE
Board Member

 (SEAL)
EDWIN L. BURNETT, III
Board Member

 (SEAL)
CHARLES BLAYLOCK
Board Member