

BYLAWS OF
ALBEMARLE PLANTATION PROPERTY OWNERS ASSOCIATION, INC.
A Not-For-Profit Corporation

ARTICLE ONE

Name and Location

The name of the corporation is ALBEMARLE PLANTATION PROPERTY OWNERS ASSOCIATION, INC. (APPOA), incorporated under the North Carolina Nonprofit Corporation Act. The principal office of the corporation is located at 128 Lakeside Drive, Hertford, NC 27944. Meetings of Members and Directors may be held at such places within the State of North Carolina as may be designated, from time to time, by the Board of Directors.

ARTICLE TWO

Member

A Member of the APPOA is each person or entity who is an owner of a lot and or a dwelling, located in the Albemarle Plantation, as described in the Master Declaration of Covenants, Conditions and Restrictions for Albemarle Plantation, (i.e., the Declaration), as the same may be amended, modified, or restated from time to time. A Member in good standing is one who is current in all dues and fees, has no liens issued by the Association against him or her, and is not suspended from the Recreational Amenities (the Amenities) for violation of a procedure or policy. Any questions of ownership or Membership shall be determined by the Board of Directors.

ARTICLE THREE

Meetings of Members

Section 1 ANNUAL MEETINGS: The Annual Meeting of Members shall be held within sixty (60) days after the beginning of the calendar year for the purpose of electing Directors and for the transaction of such other business as may be properly brought before the meeting.

Section 2 SPECIAL MEETINGS: Special meetings of Members may be called at any time by:

- a) the President of the Association,
- b) any two (2) Directors of the Board of Directors, or
- c) upon a written request submitted to the President and signed by 10% of Membership, all of whom are in good standing.

Section 3 NOTICE OF MEETINGS: Notice of each meeting of Members shall be given by, or at the direction of the President, or his/her designee, at least fifteen (15) days, but not more than thirty (30) days, before such meeting. The Notice may be sent in any manner as permitted under N.C.G.S. 47F-3-1086, as the same shall be modified from time to time. Such notice shall specify the day, hour, place and purpose of the meeting.

Section 4 QUORUM: A quorum of the Members is present at any meeting of the Association if Members entitled to cast at least ten percent (10%) of the total number of Member votes are present in person or by proxy at the commencement of the meeting. In the event business cannot be conducted at any meeting because a quorum is not present, the meeting may be adjourned to an alternate date by the President or other presiding Officer. Notwithstanding any provision to the contrary in the Bylaws, the quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to be reduced by fifty percent (50%) from that required at the immediate, previous meeting, until such time as a quorum is present and business can be conducted.

Section 5 PROXIES: At all meetings of Members, each qualified Member in good standing may vote in person or by proxy. All proxies shall be in writing and may be filed with the Secretary within the time frame specified in the notice of meeting. Proxies shall be revocable at any time prior to the meeting. The proxy of any Member, who conveys his Lot or Dwelling Unit prior to the meeting, shall automatically terminate. A conveyance will be deemed to have occurred upon the closing of the transaction.

Section 6 MEMBERS ENTITLED TO VOTE: Members in good standing may cast one vote on each matter coming before the Members for each property owned.

Section 7 ADOPTION OF MOTIONS, OTHER VOTES: All matters coming before the Members for a vote shall be deemed adopted when approved by the majority vote of a quorum unless otherwise required by these Bylaws or the Declaration.

ARTICLE FOUR

Board of Directors: Term of Office, Removal

Section 1 NUMBER: The affairs of the Association shall be managed by not less than five (5) or more than seven (7) Directors who shall (except to the extent that the current Developer only, Albemarle Plantation Holdings, LLC, has the right to appoint one Member as a Director) be duly elected on a staggered basis by the Members of the Association at each Annual Meeting. To be eligible to serve on the Board, an individual must be a Member of the Association in good standing.

Section 2 TERM OF OFFICE: The initial Board shall be seven (7) in number. The three (3) resident Directors serving at the time of the Turnover continue on the Board to serve for a term of one (1) year. In addition, three (3) additional Directors were elected at the time of the Turnover, (i): one (1) to serve a term of one (1) year, (ii) one (1) to serve a term two (2) years, and (iii) one (1) to serve for a term of three (3) years. At the 2013 Annual Meeting, the terms of the four (4) Directors to be elected shall be:

- (i) one (1) for a term of one (1) year,
- (ii) one (1) for a term of two (2) years, and
- (iii) two (2) for a term of three (3) years.

Thereafter, two Directors shall be elected annually to serve three year terms. The seventh Director shall be appointed by Albemarle Plantation Holdings, LLC, (APH) without term limits so long as APH continues to own at least one (1) lot in the Albemarle Plantation. At such time as the APH fails to own one (1) lot, the Board of Directors shall appoint a successor Director to the APH Developer appointee to serve until the next Annual Meeting of the Members at which time the Members shall elect the seventh Director of the Board for a three (3) year term.

Section 3 Election Process: Applicants for open Director positions shall self nominate themselves through completion and submission of a Board approved nomination form. All nominees, who are determined to be Members in good standing, are listed on the ballot. The Members can cast votes for as many candidates as there are openings on the Board. The Member can cast fewer votes than openings on the Board, but cannot cast more votes than there are openings on the Board. The number of candidates, for which there are openings on the Board, and who receive the highest number of votes, are elected to fill the open positions. The Board reserves the right to change the process and to commission a committee to modify and manage the process.

Section 4 REMOVAL and REPLACEMENT: Any Director may be removed from the Board, with or without cause, by a unanimous vote of the other elected Directors of the Board. In the event of death, resignation, or removal of a Director, his successor shall be selected by the remaining Directors of the Board and shall serve for the unexpired term of his predecessor.

ARTICLE FIVE

Board of Directors: Meetings

Section 1 ANNUAL MEETING: The Annual Meeting of the Board of Directors shall take place at a time scheduled by the outgoing Board but within 72 hours of the Members Annual Meeting.

Section 2 REGULAR MEETINGS: Regular meetings of the Board of Directors shall be held at least quarterly at such place and hour as may be fixed from time to time by the Board. For purposes of this requirement, the Annual Meeting of the Board may be considered as one of the required quarterly meetings.

Section 3 SPECIAL MEETINGS: Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director, unless the three day notice is specifically waived by all Directors.

Section 4 QUORUM: A quorum of the Board of Directors is deemed present throughout any meeting if the Directors entitled to cast a majority of the votes are present at the beginning of the meeting.

Section 5 ADOPTION OF MOTIONS, OTHER VOTES: All matters coming before the Board for a vote shall be deemed as adopted upon a majority vote of a quorum unless otherwise required by these Bylaws or the Declaration.

ARTICLE SIX

Board of Directors: Powers and Duties

Section 1 POWERS: The Board of Directors shall have the power to do the following:

- a) Adopt and publish rules and regulations governing the use of the Common Areas and Recreational Amenities including the personal conduct of the Members and their guests

thereon, and to establish procedures for determining possible infractions of such rules and regulations and penalties therefore.

- b) Suspend any Member's voting rights and right to use of the Recreational Amenities during any period in which such Member is not in good standing.
- c) Exercise on behalf of the Association all powers, duties and authority vested in or delegated to the Association and not specifically reserved to the Membership by the Declaration, Articles of Incorporation, or by other provisions of these Bylaws.
- d) Manage the budgets and financial matters in a prudent and efficient manner, making decisions on expenditures, contracts, and any other appropriate expenses.
- e) Employ a General Manager, managers, independent contractors, and such other employees as may be deemed necessary, and to prescribe their duties.
- f) Exercise any and all other powers permitted under the North Carolina Nonprofit Corporation Act and the North Carolina Planned Community Act not otherwise contrary to these Bylaws or the Declaration.

Section 2 DUTIES: The Board of Directors shall have the following duties:

- a) Develop and approve policies and procedures to guide the management of the Association.
- b) Prepare and approve an Annual Budget for the Association.
- c) As more fully provided in the Declaration, fix the amount of the annual assessment, dues, and fees against each Lot or Dwelling Unit in advance of each annual assessment period.
 - i. Send notices of each assessment to every Owner subject thereto in advance of each assessment period and establish a due date for each such assessment.
 - ii. Establish and implement liens and foreclosure procedures in compliance with North Carolina statutes.
- d) Issue, or cause an appropriate Officer to issue, on demand by any Member, a certificate certifying whether an assessment has been paid. A certificate that an assessment has been paid shall constitute conclusive evidence of such payment. The Board may impose a reasonable charge for the issuance of such certificates.
- e) Procure and maintain Officers and Directors liability insurance and liability and hazard insurance on all property owned by the Association.
- f) Cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- g) Engage the services of attorneys, certified public accountants, auditors and such other persons, and services the Board deems necessary for the appropriate operation of the Common Areas and the Recreational Amenities including to cause an independent auditing firm to conduct an annual audit of the finances of the APPOA and its subsidiaries.
- h) Maintain all property owned by the Association.

ARTICLE SEVEN

Officers and Their Duties

Section 1 ENUMERATION OF OFFICES: The Officers of the Association shall be a President, Vice President, Secretary, and Treasurer, each of whom shall at all times be elected Directors of the Board of Directors.

Section 2 ELECTION OF OFFICERS: The election of Officers shall take place at the Annual Meeting of the Board of Directors.

Section 3 TERM: The Officers of the Association shall be elected annually by the Board. Each Officer shall hold office for a term of one (1) year unless he/she shall sooner resign, or shall be removed or otherwise be disqualified or unable to serve. Nothing herein shall prevent an individual from being re-elected to an Officer position in which he/she has previously served; in no case shall an officer serve more than two consecutive terms in the same office.

Section 4 SPECIAL APPOINTMENTS: The Board may elect such additional Officers as the business affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine. Any such additional Officers may or may not be Directors of the Board, as the Board of Directors shall, from time to time, determine.

Section 5 RESIGNATION AND REMOVAL: Any Officer may be removed from office by the Board at any time with or without cause by a two thirds vote of the Board Members. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6 VACANCIES: A vacancy in any office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the unexpired term of the Officer he/she replaces.

Section 7 MULTIPLE OFFICES: No person shall simultaneously hold more than one of any of the Officer positions, except in the case of special Officer positions created pursuant to Section 4 of this Article.

Section 8 DUTIES: The duties of the Officers are as follows:

- a) President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds, and other instruments.
- b) Vice President: The Vice President shall act in the place of the President in the event of his/her absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be assigned to him or her, from time to time, by the Board.
- c) Secretary: The Secretary shall:
 - i. record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members;
 - ii. keep the corporate seal of the Association and affix it to all papers so requiring;
 - iii. provide minutes of all meetings of the Board to Members;
 - iv. keep appropriate current records showing the Members of the Association together with their addresses and
 - v. undertake such further duties as assigned, from time to time, by the Board.
- d) Treasurer: The Treasurer shall present a financial report at the Annual Meeting of Members. The Treasurer shall oversee the management of the finances through the General Manager and the Accounting Manager of the Association and its subsidiaries including, but not limited to,
 - i. receiving and depositing all funds of the Association in bank accounts established by the Board;
 - ii. disbursing such funds as directed by resolution of the Board;
 - iii. signing checks and promissory notes of the Association as required by procedure;

- iv. keeping proper books of the accounts of all financial matters;
- v. causing an annual audit of the Association books to be made at the completion of each fiscal year; and
- vi. preparing an annual budget and statement of income and expenditures. Copies of financial documents shall be delivered to each Director and others as directed by the Board.

ARTICLE EIGHT

Assessments

As more fully provided in the Declaration each Member is obligated to pay to the Association annual and special assessments, dues and fees, which are secured by a continuing lien on the Plantation property of the Member. All annual assessments, dues and fees shall be timely paid as designated by the Board of Directors. Any assessments, dues and fees not paid when due are considered delinquent. Interest, costs, and reasonable attorney's fees incurred by the Board in the collection of any dues, fees or assessments shall be added to the amount of any amount due. The liability of each Member for such dues, fees and assessments shall continue despite nonuse, abandonment or sale of his or her Lot or Dwelling Unit.

ARTICLE NINE

Books and Records: Inspection

The Declaration, Articles of Incorporation, and Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies shall be made available for sale at a reasonable price.

ARTICLE TEN

Corporate Seal

The Association shall have a seal in a circular form having within its circumference the words:
ALBEMARLE PLANTATION PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE ELEVEN

Amendments

These Bylaws may be amended by the Board of Directors at any regular meeting or special meeting of the Directors, as provided in the Articles of Incorporation. The notice for such meeting shall contain a copy of the proposed amendment or amendments. To change or amend the Articles or these By-

laws, two thirds of all the Board Members in office at the time must affirmatively approve the change or amendment.

ARTICLE TWELVE

Conflicts

Section 1 CONFLICT BETWEEN BYLAWS AND ARTICLES OF INCORPORATION: These Bylaws are subject to the North Carolina Non-Profit Corporation Act ("Act") and the terms of the Articles. In the event of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control.

Section 2 CONFLICT BETWEEN THE BYLAWS AND THE DECLARATION: The Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Albemarle Plantation (Declaration), as the same may be amended or restated from time to time, are incorporated by reference into these Bylaws. In the event any of the Bylaws as herein designated, or as later amended, are in conflict with the Declaration, the provisions of the Declaration shall prevail.

ARTICLE THIRTEEN

Indemnification and Elimination of Liability

Section 1 Indemnification of Directors and Officers: Except as provided in Section 2 of this Article 13, the Corporation shall indemnify every individual made a party to a proceeding because he is or was a Trustee or Officer against liability incurred in the proceeding if: (i) he conducted himself in good faith; and (ii) he believed, in the case of conduct in his official capacity with the Corporation, that his conduct was in its best interests and, in all other cases, that his conduct was at least not opposed to its best interests (or in the case of conduct with respect to an employee benefit plan, that his conduct was for a purpose he believed to be in the interests of the participants of and beneficiaries of the plan); and (iii) he had no reasonable cause to believe, in the case of any criminal proceeding, that his conduct was unlawful.

Section 2 Indemnification Not Permitted: The Corporation shall not indemnify any individual against his willful misconduct or a knowing violation of the criminal law or against any liability incurred by him in any proceeding charging improper personal benefit to him, whether or not by or in the right of the Corporation or involving action in his official capacity, in which he was adjudged liable by a court of competent jurisdiction on the basis that personal benefit was improperly received by him.

Section 3 Effect of Judgment or Conviction: The termination of a proceeding by judgment, order, settlement or conviction is not, of itself, determinative that an individual did not meet the standard of conduct set forth in Section 1 of this Article 13 or that the conduct of such individual constituted willful misconduct or a knowing violation of the criminal law.

Section 4 Determination and Authorization: Unless ordered by a court of competent jurisdiction, any indemnification under Section 1 of this Article 13 shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the individual is permissible in the circumstances because: (i) he met the standard of conduct set forth in Section 1 of this Article 13 and, with respect to a proceeding by or in the right of the Corporation in which such individual was ad-

judged liable to the Corporation, he is fairly and reasonably entitled to indemnification in view of all of the relevant circumstances even though he was adjudged liable; and (ii) the conduct of such individual did not constitute willful misconduct or a knowing violation of the criminal law.

Such determination shall be made: (i) by the Board of Directors by a majority vote of a quorum consisting of Directors not at the time parties to the proceeding; or (ii) if such a quorum cannot be obtained, by a majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to the proceeding; or (iii) by special legal counsel selected by the Board of Directors or its committee in the manner heretofore provided or, if such a quorum of the Board of Directors cannot be obtained and such a committee cannot be designated, selected by a majority vote of the Board of Directors (in which selection Directors who are parties may participate); or (iv) by the shareholders, but shares owned by or voted under the control of individuals who are at the time parties to the proceeding may not be voted on the determination. Authorization of indemnification, evaluation as to reasonableness of expenses and determination and authorization of advancements for expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those selecting such counsel.

Section 5 Advance for Expenses: The Corporation may pay for or reimburse the reasonable expenses incurred by any individual who is a party to a proceeding in advance of final disposition of the proceeding if: (i) he furnished the Corporation a written statement of his good faith belief that he has met the standard of conduct described in Section 1 of this Article 13 and a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that indemnification of such individual in the specific case is not permissible; and (ii) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article 13. An undertaking furnished to the Corporation in accordance with the provisions of this Section 5 shall be an unlimited general obligation of the individual furnishing the same but need not be secured and may be accepted by the Corporation without reference to financial ability to make repayment.

Section 6 Indemnification of Employees and Agents: The Corporation may, but shall not be required to, indemnify and advance expenses to employees and agents of the Corporation to the same extent as provided in this Article 13 with respect to Directors and Officers.

Section 7 Elimination of Liability of Directors and Officers: Except as provided in Section 8 of this Article 13, in any proceeding brought by or in the right of the Corporation or brought by or on behalf of shareholders of the Corporation, a Trustee or Officer of the Corporation shall not be liable in any monetary amount for damages arising out of or resulting from a single transaction, occurrence or course of conduct.

Section 8 Liability of Directors and Officers Not Eliminated: The liability of a Trustee or Officer shall not be eliminated in accordance with the provisions of Section 7 of this Article 13 if the Trustee or Officer engaged in willful misconduct or a knowing violation of the criminal law or of any federal or state securities law, including without limitation, any claim of unlawful insider trading or manipulation of the market for any security.

Section 9 Definitions: In this Article Thirteen:

"Corporation" means the Corporation and any domestic or foreign predecessor entity of the Corporation in a merger or other transaction in which the predecessor's existence ceased upon the consummation of the transaction.

"Trustee" means an individual who is or was a Trustee of the Corporation, as the case may be, or who, while a Trustee or Officer of the Corporation is or was serving at the Corporation's request as a Trustee, Officer, partner, Trustee, employee or agent of another foreign or domestic corporation, nonprofit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. A Trustee is considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. Trustee includes, unless the context requires otherwise, the estate or personal representative of a small Trustee.

"Expenses" mean expenses of every kind incurred in defending a proceeding, including counsel fees.

"Individual" includes, unless the context requires otherwise, the estate, heirs, executors, personal representatives and administrators of an individual.

"Liability" means the obligation to pay a judgment, settlement, penalty, fine, including any excise tax assessed with respect to an employee benefit plan, or reasonable expenses incurred with respect to a proceeding.

"Official Capacity" means: (i) when used with respect to a Trustee, the office of Trustee in the Corporation; (ii) when used with respect to an Officer, the office in the Corporation held by him; or (iii) when used with respect to an employee or agent, the employment or agency relationship undertaken by him on behalf of the Corporation. "Official capacity" does not include service for any foreign or domestic corporation or other partnership, joint venture, trust, employee benefit plan or other enterprise.

"Officer, Employee or Agent" means an individual who is or was serving in that capacity to the Corporation, and includes, unless the context requires otherwise, the estate or personal representative of a person who acted in that capacity.

"Party" includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.

"Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

Section 10 Provisions Not Exclusive: As authorized by the North Carolina Nonprofit Corporation Act, the provisions of this Article 13 are in addition to and not in limitation of the specific powers of a corporation to indemnify Directors and Officers set forth therein. If any provision of this Article 13 shall be adjudicated invalid or unenforceable by a court of competent jurisdiction, such adjudication shall not be deemed to invalidate or otherwise affect any other provision hereof or any power of indemnity which the Corporation may have under the North Carolina Nonprofit Corporation Act or other laws of the State of North Carolina.

ARTICLE FOURTEEN

Conduct of Meetings

All meetings of the Members and the Board of Directors shall be conducted under the current edition of *Robert's Rules of Order* unless otherwise provided by these Bylaws or policies adopted by the Board.

Article FIFTEEN

Miscellaneous

Section 1 Electronic Transactions: The Corporation may conduct a transaction by electronic means as permitted by N. C. G. S. 55A-1-70.

Section 2 Notices: A "Notice" shall mean a communication in person or by electronic means or by other means permitted by N. C. G. S. 55A-1-41 as amended from time to time.

Section 3 Fiscal Year: The fiscal year of the Corporation shall be determined by the Board.

IN WITNESS WHEREOF, these Bylaws have been signed and executed by the Association on the day and year first above written.

Albemarle Plantation Property Owners Association, Inc.
a North Carolina non-profit corporation

By: _____

Name: _____

Its: _____

STATE OF NORTH CAROLINA
COUNTY OF PERQUIMANS _____

I, _____, a Notary Public of the County of Perquimans and State aforesaid, certify that _____ personally came before me this day and acknowledged that he/_he is _____ Albemarle Plantation Property Owners Association, Inc., a North Carolina Corporation, and that by authority duly given by the Board of Directors as the act of the Corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its Corporate seal.

Witness my hand and official stamp or seal, this _____ day of _____, 2013.

(NOTARY SEAL)

Notary Public

My Commission Expires:

STATE OF

COUNTY OF

The foregoing or annexed certificate of _____, a Notary Public of the State of _____, and County of _____ is certified to be correct. This _____ day of _____, 2013.

Register of Deeds

By: _____
Deputy