

BY-LAWS
OF
VILLAGE GREEN OWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION OF PRINCIPAL OFFICE

Section 1. Name: The name of the corporation is Village Green Owners Association, Inc.. The Articles of Incorporation were issued by the Office of the Secretary of State of North Carolina on May 19, 2004 and appear in said office under SOSID 726430. Copies of these Articles are available at the, principal office of the corporation (and are attached to this Exhibit D as Exhibit D').

Section 2. Principal Office: The principal office of the corporation is located at 224 Brandywine Blvd., Morehead City, North Carolina 28557. However, the meetings of the Association, its members and directors, may be held at such places within Carteret County, North Carolina as may be designated by the Board of Directors. The location of the principal office may be changed in accordance with applicable law.

ARTICLE II
DEFINITIONS

All terms used herein which have particular definitions as set forth in Article I of the Declaration of Condominium for Village Green (hereafter "Declaration") recorded in the Carteret County Registry shall have the same meaning herein. All subsequent references herein to the "Association" shall refer to Village Green Owners Association. To the extent the terms and provisions of the Declaration differ from the terms and provisions of these by-laws, the Declaration shall control, and these by-laws shall be deemed amended to conform to the Declaration, to the extent allowed by law.

ARTICLE III
ADOPTION OF RELATED PROVISIONS

For the purpose of these by-laws, the various provisions relating to the powers, membership, voting rights, board of directors, officers, meetings, quorum requirements, and assessments of the Association as more particularly set forth in the Declaration and in the Articles of Incorporation are hereby adopted herein verbatim by reference, as follows:

Powers - Article Five of the Articles of Incorporation.

Membership - Article Four of the Articles of Incorporation and Article IV of the Declaration.

Voting Rights - Article IV of the Declaration.

Board of Directors and Officers - Article Eight of the Articles of Incorporation and Article IV of the Declaration.

Meetings - Article Ten of the Articles of Incorporation.

Quorum Requirements - Article Eleven of the Articles of Incorporation. Common Expenses - Article VII of the Declaration.

ARTICLE IV

MEETINGS OF MEMBERSHIP

Written notice of the annual and special meetings of the membership shall be given to each member at least 10 but not more than 60 days prior to said meetings. Notice may be given by hand delivery or by first class mail addressed to each member at the record address of such member on file with the Association. If mailed, the first day of such notification period shall be the date said notice was first deposited, post paid, into an official depository of the U.S. Postal Service. Meetings for which proper notice has been given, may not be held sooner than the eleventh day thereafter. It shall be the responsibility of all members to assure that the Association has an accurate mailing address on file. Action taken at special meetings shall be strictly limited to the purpose(s) set forth on the notice of special meeting sent to the members.

There shall be an annual meeting of the membership held each year in the month of December. The specific date, time, and place of said meeting shall be determined by the President of the Association unless the Board of Directors, or a prior meeting of the membership, has previously specified the date, time and place. At the annual meeting, the members shall elect the new members of the Board of Directors for the coming fiscal year; shall vote on the budget proposed by the out-going Board; and shall transact such other business as may properly come before the meeting. The Secretary shall maintain a list of all members and their addresses entitled to vote at annual and special meetings.

Special meetings of the membership may be called by the President, a majority of the Board of Directors, or by lot owners having at least ten percent (10%) of the votes in the Association. Notice of special meeting shall be sent to members at least 10 but not more than 60 days in advance of the meeting, and shall contain a description of the agenda items and the general nature of the business to be considered at the meeting.

All business conducted at any meeting of the membership shall be governed by the protocols and requirements of the latest edition of Robert's Rules of Order. No resolutions or

motions may be voted upon at any meeting without a quorum present, either in person or through an authorized written and signed proxy.

ARTICLE V

OFFICERS

Section 1. Officers. The Association shall have not less than three Officers, a President, Secretary, and Treasurer. These Officers shall be appointed by the Board of Directors at its first meeting following its election, and for a one year term (commencing

January 1st) or until their successors shall be duly elected. The term of service of said Officers shall coincide with the term of service of the Board which appointed them. The Board of Directors may also appoint a Vice President, in its discretion. The President and any Vice President shall be lot owners and members in good standing in the Association, but the Secretary and Treasurer need not be lot owners or members. The President shall act for and on behalf of the Association, but neither the President, nor any other officer, shall have the authority to obligate the credit of the Association without authorization of either the Board of Directors or the membership. All checks written on any bank account of the Association shall be signed by any one or more of the authorized Officers as indicated on the Association's bank signature cards and a resolution adopted by the Board of Directors. No Officer shall be disqualified, by virtue of service as Officer, from being re-elected for a succeeding term. If the office of any Officer becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the Directors shall conduct a special meeting for the purpose of electing a replacement Officer who shall be elected by a majority vote. Further, any Officer may be removed, with or without cause, by a majority vote of the Directors at a special meeting called for that purpose.

Section 2. Duties of Officers. The duties of the Officers shall be as follows:

a. President: The President shall preside at all meetings of the members, and he shall attend all meetings of the Directors. He shall have no vote at meetings of members, except to break a tie vote. He shall have no vote at meetings of the Directors, unless he is also a Director. He shall have other duties, as follows: He shall have general and active management of the business of the Association; he shall see that all orders and resolutions of the Board of Directors are carried into effect; he shall have superior authority over all other officers of the Association, and shall see that their duties are performed properly; he shall report on the operations of the Association for the fiscal year to the directors whenever called for by them, and to the members at the annual meeting; from time to time he shall report to the Board of Directors all matters within his knowledge which the interest of the Association may require to be brought forward; he shall be an ex-officio member of all committees, and he shall have such other general powers and duties of supervision and management typically vested in the office of the President of an Association pursuant to applicable law,

b. Vice-president: If a Vice-President is hereafter elected, the Vice-President shall be vested with all of the powers and required to perform all of the duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

c. Secretary: In a format directed by the Board of Directors, the Secretary shall record and prepare the minutes of the meetings of the members and the Board of Directors; shall, at the next subsequent meeting, read the minutes of the previous meeting and call for approval, or corrections, as applicable; shall see that all notices are fully and timely given in accordance with the provisions of these by-laws or as required by law; shall keep a register of the mailing address of each member, which shall be furnished to the Secretary by all members; and shall perform such other duties as may be reasonably requested of her by the President or the Board of Directors.

d. Treasurer: The Treasurer shall keep full and accurate accountings of all receipts and disbursements by and from the Association in books belonging to the Association; shall

deposit all monies and other valuable effects of the Association, in the name and to the credit of the Association, in such depositories as may be designated by the Board of Directors; shall disburse and pay out the funds of the Association as directed by the Board of Directors; shall keep all financial records, receipts, invoices, and statements; and shall render to the President and/or the Directors at the regular meetings of the board, or at other times requested, an account of all his transactions as Treasurer, and a report of the financial condition of the Association. All of such records shall be open and available to on-site inspection by any member at a reasonable times and circumstances, upon reasonable advance notice. At the discretion of the Board of Directors, he shall cooperate with the Association in applying for a fidelity bond, the cost of which shall be borne by the Association. Further, he shall perform such other reasonable duties as may from time to time be requested of him by the President or by the Board of Directors.

ARTICLE VI

DIRECTORS

The initial Board of Directors shall be the charter directors designated in the Articles of Incorporation. The new Board to be elected at the organizational meeting shall consist of three persons. Thereafter, and for so long as Golf and Shore Properties, Inc. ("Declarant") has the sole authority to appoint and remove the Directors pursuant to Section 4.3 of the Declaration of Condominium for Village Green Condominiums, the Board shall consist of the same number of persons (3). All Directors shall serve a calendar year term (or in the case of the new Board elected at the organizational meeting, a term expiring the following December 31st) or until their successors are elected, commencing on January 1st of each year. A Director shall not be disqualified by virtue of his/her service as Director from being re-elected for a succeeding term. For so long as Declarant has the sole authority to appoint and remove the Directors pursuant to Section 4.3 of the Declaration of Condominium for Village Green Condominiums, the Directors shall not be required to be lot owners or members in the Association.

Subject to the preemptive right of the Declarant to appoint the Directors as set forth above, if the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors may appoint a replacement to fill the unexpired term of the vacant Director. If, however, the remaining Directors are unable to reach a unanimous decision on a replacement, a majority of the votes entitled to be cast at a properly called special meeting of the membership shall elect a replacement to fill the unexpired term of the vacancy.

For so long as Declarant holds its preemptive right to appoint and replace Directors as set forth above, Declarant may remove any Director, with or without cause, and appoint a replacement. Otherwise, members constituting at least two-thirds of all members present and entitled to vote in person or by proxy at any meeting of the membership at which a quorum is present, may remove any member of the Board of Directors with or without cause.

The first meeting of the new Board of Directors to be elected at the organizational meeting of the membership shall immediately follow the conclusion of the organizational meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The term of service of this new Board shall end on December 31st of the year in

which it was elected. At the first meeting of the Directors, the Officers who will serve for the same period for which the Directors were elected shall be appointed by the Board. Thereafter, the Board of Directors shall meet at least once a year in an annual meeting. This annual meeting shall be held in December prior to the annual meeting of the membership. Any member may attend this Board meeting or any other meeting of the Board of Directors, but it shall not be a prerequisite for a meeting of the Board that notice of their meeting be given to the general membership. However, it shall be required that 10 days advance notice be given to all Directors prior to any Board meeting date, unless all Directors waive such notice in writing. No member present at a Board meeting who is not a Director shall have a vote on any issue, voted on by the Board. Directors may vote at Board meetings by written proxy. Special meetings shall be held whenever called by the President or by a majority of the Directors. A quorum of Directors shall be deemed present at any Board meeting if a majority is present. If the required quorum shall not be present at the meeting, the Directors then present shall adjourn the meeting.

The Board shall cause to be presented to the members at the annual meeting a full and clear written report of the financial affairs and condition of the Association, including the operating expenses of the Association and the assessments paid by each member. This report shall be included in the notice to the members of the annual meeting so they may consider the same at the annual meeting.

Directors may not delegate any discretionary powers conferred upon them by these bylaws, the Articles of Incorporation, or the Declaration. However, administrative duties and responsibilities such as record keeping, financial accounting, preparation of reports, and so forth, may be delegated by the Directors to others as they deem appropriate.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

ARTICLE VIII

ASSOCIATION BUDGET

The Board of Directors who become elected at the organizational meeting of the Association, and all Boards thereafter, shall, during their year of service, determine what revenues the Association needs to perform its duties and operations for the fiscal year following their period of service. This determination shall be in a manner consistent with Article VII of the Declaration, and shall be in the form of a written recommendation for adoption by the general membership at its annual meeting in December. This recommendation shall also include the amount of assessments required to meet the budget. The written recommendation for budget adoption and assessments shall be included in the notice of annual meeting sent to the general membership. The budget may be ratified by the membership without a quorum requirement, and the notice shall so state. The recommended budget and assessments structure shall be deemed ratified and approved by the membership unless a majority of all votes entitled to be cast in the association at that meeting rejects the budget. In the event the proposed budget and assessments structure is rejected, the budget and assessments last ratified shall continue to be

the budget and assessments of the Association until a budget subsequently proposed by the Directors is ratified. Notwithstanding anything to the contrary in this Article VIII, the Board shall have the right to increase the regular periodic annual dues for the coming fiscal year by not more than 10% over the prior fiscal year and without the approval or vote of the membership.

ARTICLE IX

AMENDMENTS

Section 1. These by-laws may only be altered, amended, or supplemented by action of the membership at a duly called special meeting of the members, and provided, (1) that the notice of the meeting shall contain a full statement of the proposed amendment; and (2) that the proposed amendment shall pass by a minimum two-thirds majority of the votes entitled to be cast in person or by proxy; and (3) that a majority of the Directors approve the amendment, No amendment to these by-laws shall be passed which would operate to impair or prejudice the rights of any mortgagee.

ARTICLE X

CERTIFICATE OF ADOPTION

The undersigned corporate officer of the Association hereby certifies that:

1. The initial organizational meeting of the Association as required by the corporate charter was held on _____. Among other business taken up, these Bylaws were proposed for ratification by the members at the meeting.
2. The membership, by majority vote at the organizational meeting, did adopt and ratify these Bylaws.

IN WITNESS WHEREOF, I have hereunto subscribed my name this the _____ day of _____.

President, Village Green Owners Association, Inc.