

BY-LAWS OF
MONTERAY SHORES PUD HOMEOWNERS ASSOCIATION, INC.

A NORTH CAROLINA NON-PROFIT CORPORATION UNDER THE LAWS OF
THE STATE OF NORTH CAROLINA

ARTICLE I

NAME, PURPOSE AND APPLICABILITY

1.1 Name. The name of this non-profit, non-stock membership corporation shall be MONTERAY SHORES PUD HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as "Association".

1.2 Purpose. The purpose of the Association shall be to administer, manage, and operate the Common Areas, Open Spaces and Recreational Amenities, in accordance with that Declaration of Protective Covenants of MONTERAY SHORES PUD PHASE I, hereinafter referred to as "Declaration" in accordance with the Declaration, the Non-profit Corporation Act of North Carolina, this Declaration, and the Articles of Incorporation and these By-Laws, as may be amended from time to time. The Association shall not engage in any activities other than those directly related to administration of Monterey Shores PUD.

1.3 Applicability. These By-Laws are applicable to the property known as MONTERAY SHORES PUD, Phase I and any Additional Phases added thereto, as provided by the Declaration as such property is described on EXHIBITS A, B & C, attached to the Declaration. These By-Laws are binding on all present or future Owners, tenants, guests, residents, or other persons occupying or using the facilities of Monterey Shores PUD. The mere acquisition, rental, or act of occupancy of any part of properties located within Monterey Shores PUD will signify that these By-Laws are accepted, ratified, and will be complied with. The provisions of the Declaration regarding the governing and administration of the Association are incorporated herein by reference. The Board of Directors of the Association may adopt, from time to time, rules and regulations regarding the use of common properties of the Association, the establishment and collection of fees and expenses for the Association, and other regulations as may be necessary to maintain the business and affairs of the Association. Such rules and regulations shall be binding upon the members as if set forth within these By-Laws.

ARTICLE II

DEFINITIONS

The definition of words contained in the Declaration, Article II shall apply to those words and terms as used in these By-Laws.

ARTICLE III

OFFICES, REGISTERED AGENT, SEAL, FISCAL YEAR

3.1 Principal Office, Registered Office. The principal office and the registered office of the Association shall be located at 925 S. Harbor View Drive Corolla, North Carolina 27927 or such other place as the Board of Directors may designate from time to time.

3.2 Registered Agent. The initial Registered Agent for the Association is Daniel D. Khoury, whose address is Post Office Box 1584, Kill Devil Hills, NC 27948. The individual serving as Registered Agent may be removed from office and replaced at any time by vote of the Board of Directors of the Association.

3.3 Seal. The seal of the Association shall contain the name of the Association, the word "Seal", and such other words and figures as desired by the Board of Directors. When obtained, the seal shall be impressed in the margin of the minutes of the initial meeting of the Board of Directors.

3.4 Fiscal Year. The fiscal year of the Association shall be January 1 through December 31.

ARTICLE IV

MEMBERSHIP

4.1 Qualification. Membership in the Association shall be confined to and consist of the Lot Owners. Membership shall be appurtenant to and inseparable from Lot ownership. No Lot Owner shall be required to pay any consideration whatsoever for his membership. Membership in the Association shall inure automatically to Lot Owners upon acquisition of the fee simple title, whether encumbered or not, to any one or more Lots, each of whom shall be entitled to a percentage vote for each lot owned by him. The vote percentage shall be one vote for each lot. The date of registration of the conveyance in the Dare County Registry of the Lot in question shall govern the date of ownership of each particular Lot. However, in the case of death, the transfer of ownership shall occur on the date of death in the case of intestacy, or date of probate of the will in the case of testacy. Until a decedent's will is probated, the Association may rely on the presumption that a deceased Owner died intestate. No Lessee, lienholder, mortgagee, pledge or contract purchaser shall have any voting rights with respect to the affairs of the Association.

4.2 Annual Meetings. The annual meetings of the Lot Owners Association shall be held on a day in the month of November (other than Sunday or a legal holiday) as may be established by the Board of Directors. At such annual meetings, members of the Board of Directors shall be elected by the Lot Owners in accordance with the requirements of Section 5.4 of these By-Laws. During the Declarant Control Period, the Declarant shall be entitled to designate members of the Board of Directors not elected pursuant to Section 4.4. If the special meeting held pursuant to Section 4.4 is held within six months of a scheduled annual meeting, the annual meeting shall not be held until the following year.

4.3 Place of Meetings. Meetings of the Association shall be held at the Clubhouse of Monterey Shores PUD or at such other suitable place as may be designated by the Board of Directors.

4.4 Special Meetings. At anytime in the interval between annual meetings, special meetings of the Association may be called by a two thirds (2/3) vote of the Board of Directors or by Lot Owners after written request therefor is delivered to the President of the Association and is signed by members of the Association entitled to cast at least fifty-one per cent (51%) of the total votes of the Association. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

4.5 Notice of Meetings. The Secretary of the Board of Directors shall give to each Lot Owner a notice of each Annual Meeting of the Lot Owners at least fifteen (15) but not more than forty-five (45) days, and of each special meeting of the Lot Owners at least seven (7) but not more than thirty (30) days, prior to such meeting, stating the time, place and purpose thereof. Any business of the Association may be transacted at an Annual Meeting without specifically being required by Statute, these Bylaws or in the notice. Failure to hold an Annual Meeting at the designated time shall not invalidate the Association's existence or affect its otherwise valid acts. Any meeting of the Lot Owners, Annual or Special, may adjourn from time to time to reconvene at the same time or some other permitted place, and no notice need be given of any such adjourned meeting other than by announcement.

4.6 Quorum; Adjournment if No Quorum. A quorum shall consist of Lot Owners present, in person or by proxy, entitled to cast at least twenty-five percent (25%) of the total votes in the Association. If a quorum is not present, the meeting shall be adjourned and the required quorum at the subsequent meeting shall consist of members present, in person or by proxy, entitled to cast at least fifteen percent (15%) of the total votes in the Association.

4.7 Voting.

(A) The total votes in the Association are allocated to Lots by the Declaration. The votes allocated to a Lot may be cast by the Lot Owner of that Lot. When there is more than one Lot Owner of a Lot, the vote for that Lot shall be, cast as they shall determine. The vote allocated to a Lot shall not be split but shall be voted as a single whole.

(B) No Lot Owner may vote at any meeting of the Association or be elected to or serve on the Board of Directors if payment of the assessment on his Lot is delinquent and the amount necessary to bring his account current has not been paid at the time of such meeting or election.

4.8 Proxies. A vote may be cast in person, or by proxy. Such proxy may be granted by any Lot Owner in favor of only another Lot Owner, the Secretary of the Association, the Declarant or his Mortgagee, or in the case of a non-resident Lot Owner, the lessee of such Lot Owner, his attorney or management agent. Proxies shall be duly executed in writing, shall be witnessed, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the

appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from any of the persons owning such Lot. Except with respect to proxies in favor of a Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred eighty (180) days after the execution thereof.

4.9 Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at any meeting, as well as a record of all transactions occurring thereto. The President may appoint a person to serve as parliamentarian at the meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these By-Laws or the Articles of Incorporation. All votes shall be tallied by tellers appointed by the President or other officer presiding over the meeting.

4.10 Prohibition of Cumulative Voting. There shall be no cumulative voting.

ARTICLE V

DIRECTORS

5.1 Initial Board. The first Board of Directors ("Board") shall consist of three (3) persons selected by the Declarant whose names are set forth in the Articles of Incorporation and successors to any thereof elected by the members.

5.2 Number and Qualifications of Directors. After the Initial Board, the Board shall consist of not less than three (3) nor more than five (5) natural persons, as determined at any Annual Meeting by the Lot Owners. Declarant during the Declarant Control Period as defined in Article II, Section 2.02 of the Declaration shall have the right to designate three (3) Directors (or 2/3 of the Board of Directors whichever is greater) for each term during the Declarant Control Period which directors designated by the Declarant shall not be required to be Lot Owners. The remaining members and all of the Board of Directors beyond the Declarant Control Period shall be Lot Owners. Every Director and every officer of the Association shall be indemnified against all expenses and liabilities, including counsel fees, incurred by or imposed upon him in connection with a court proceeding to which he may become involved, by reason of his being or having been a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of malfeasance or gross negligence in the performance of his duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all rights of indemnification to which such Director or officer is entitled.

5.3 Election of Directors. At the first Annual Meeting of the Lot Owners, and at each subsequent Annual Meeting, the members shall elect the Directors by a majority of the votes cast in the election.

5.4 Term. The terms of the Directors shall be staggered so that at least one (1) but not more than three (3) Directors are elected at any Annual Meeting and so that no Director's term is less than one (1) year nor more than three (3) years. The Directors shall establish rules to implement the provisions of this section. Once elected, a Director, shall hold office until his successor has been duly elected and has qualified.

5.5 Removal. Any Director may be removed, with or without cause, by a vote of the Lot Owners entitled to cast at least sixty-six percent (66%) of the total votes in the Association, at a special meeting called for such purpose, and a successor may then be elected by the members to serve for the balance of the removed Director's term.

5.6 Vacancies. Any vacancy in the Board arising by death or resignation of a Director shall be filled by act of the remaining Directors, whether or not constituting a quorum, and a Director so elected shall serve for the unexpired term of his predecessor in office.

5.7 Regular Meetings. After each meeting of Lot Owners at which a Board of Directors shall have been elected, the Board so elected shall meet, as soon as practicable, for the purpose of organization and the transaction of other business. Regular meetings of the Board may be held at such time and place as shall be determined by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or telegraph, at least seventy-two (72) hours prior to the meeting. Any one or more Directors may participate in a meeting of the Board by means of a conference call or similar communications device which allows all persons participating in the meeting to hear each other and such participation in a meeting shall be deemed presence in person at such meeting.

5.8 Special Meetings. Special meetings of the Board may be called by the President and shall be called by the President or the Secretary and held within ten (10) days after written request therefor signed by two (2) Directors is delivered to the President or the President or the Secretary. Not less than seventy-two (72) hours notice of such special meeting shall be given personally or by mail, telephone, or fax to each Director; provided that in case the President or any Director determines that an emergency exists, a special meeting may be called by giving such notice as is possible under the circumstances. Notices of a special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

5.9 Quorum; Adjournment if No Quorum. Two thirds of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present. The signing by a director of the minutes of a meeting shall verify the presence of such Director at that meeting.

5.10 Manner of Acting. Each Director shall be entitled to one (1) vote. The act of a majority of the Directors present at a meeting shall constitute the act of the Board unless the act of a greater number is required by the provisions of applicable law, the Declaration or these By-Laws.

5.11 Board Action Without Meeting. Any action that may be taken at a meeting of the Board may be taken without a meeting if such action is authorized in a writing, setting forth the action taken, signed by all Directors.

5.12 Compensation of Directors Restricted. Directors shall receive no compensation for their services, but may be paid for out-of-pocket expenses incurred in the performance of their duties as Directors.

5.13 Powers and Duties of Board. The business and affairs of the Association shall be managed by the Board. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the Declaration, the Articles of Incorporation, and these By-Laws, as any thereof may from time to time be amended. Such powers and duties shall be exercised in accordance with the provisions of applicable law, the Declaration, the Articles of Incorporation, and these By-Laws, and shall include, but not be limited to, the following:

(a) To prepare and provide to Lot Owners annually, a report containing at least the following:

(i) A statement of any capital expenditures in excess of five percent (5%) of the current budget or Fifteen Thousand Dollars (\$15,000.00), whichever is greater, anticipated by the Association during the current year or succeeding two (2) fiscal years.

(ii) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the Board.

(iii) A statement of the financial condition of the Association for the last fiscal year.

(iv) A statement of the status of any pending suits or judgments in which the Association is a party.

(v) A statement of the insurance coverage provided by the Association as contemplated by Section 7.03(c) of the Declaration.

(vi) A statement of any unpaid assessments payable to the Association, identifying the Lot, the Lot Owner and its address, and the amount of the unpaid assessment.

(b) To adopt and amend budgets, and to determine and collect assessments to pay the Common Expenses.

(c) To regulate the use of, and to maintain, repair, replace, modify and improve the Common Areas, Open Spaces and Recreational Amenities.

(d) To adopt and amend rules and regulations and to establish reasonable penalties for infraction thereof for the general welfare and safety of MONTERAY SHORES PUD HOMEOWNERS ASSOCIATION, INC.

(e) To enforce the provisions of the Declaration, the Articles of Incorporation, these By-Laws, and rules and regulations by all legal means, including injunction and recovery of monetary penalties.

(f) To hire and terminate managing agents and to delegate to such agents such powers and duties as the Board shall determine.

(g) To hire and terminate agents and independent contractors.

(h) To institute, defend, intervene in, or settle any litigation or administrative proceedings in its own name on behalf of itself.

(i) To establish and dissolve and liquidate, from time to time, reserve accounts for any purpose.

(j) To borrow money for the maintenance, repair, replacement, modification or improvement of Common Areas, Open Spaces and Recreational Amenities.

(k) To provide for indemnification of the Association's officers and Directors and maintain officers' and Directors' liability insurance.

(l) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy, reasonable fines for violations of the Declaration, these By-Laws, or the rules and regulations.

(m) To levy assessments as provided in Article VII of the Declaration and to administer all assessments including the enforcement for non-compliance.

ARTICLE VI

OFFICERS

6.1 Designation of Officer. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer. Each officer shall be a Lot Owner or the individual nominee of a Lot Owner which is other than an individual.

6.2 Election of Officers. Officers of the Association shall be elected by the Board from the Board. Election shall be held annually at the first meeting of the Board held after the annual meeting of the members, except that the first Board shall elect officers as soon as practicable after filing of the Declaration.

6.3 Term. Each officer shall serve until his successor has been duly elected and has qualified.

6.4 Removal. Any officer may be removed, with or without cause, and without notice, by the Board.

6.5 Vacancy. Any vacancy in any office shall be filled by the Board, and an officer elected to fill a vacancy shall serve for the unexpired term of his predecessor in office.

6.6 Powers and Duties of Officers.

(a) President. The President shall be the chief executive officer of the Association; shall have all of the powers and duties incident to the office of a president of a corporation, including, but not limited to, the duty to preside at all meetings of the Board and of the members, and the general supervision of officers in the management of the business and affairs of the Association; and shall see that all actions and resolutions of the Board are carried into effect.

(b) Vice President. The Vice President shall perform such duties of the President as shall be assigned to him or her by the President, and in the absence of the President shall perform the duties and functions of the President.

(c) Secretary. The Secretary shall keep the minutes of all meetings and actions of the Board and of the members; shall give all required notices to the Directors and members; shall keep the records of the Association, except those kept by the Treasurer; shall perform all other duties incident to the office of a secretary of a corporation; and shall perform such other duties required by the Board or the President.

(d) Treasurer. The Treasurer shall oversee and shall insure the adequate safeguard of all intangible property of the Association, including funds, securities, and evidences of indebtedness; shall insure that books and records of the Association are kept in accordance with generally accepted accounting practices and principles and shall review bank statements, canceled checks and deposits along with related bank reconciliations no less than quarterly; shall disburse funds of the Association as directed by the Board; and shall perform all other duties incident to the office of a treasurer of a corporation.

6.7 Execution of Agreements, etc. All agreements, deeds, mortgages, or other instruments shall be executed by any two (2) officers, or by such other person or persons as may be designated by the Board.

6.8 Compensation of Officers Restricted. No officer shall be compensated for his services in such capacity, but may be reimbursed for out-of-pocket expenses incurred in performing his duties.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify such persons, for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as permitted by the appropriate sections of the North Carolina General Statutes, as now enacted or hereafter amended.

ARTICLE VIII

COMPLIANCE, ENFORCEMENT, FINES AND PENALTIES

8.01 Default and Remedies. A default in or failure to comply with any of the terms, conditions, obligations, and provisions of the Declaration, these By-Laws, the Articles of Incorporation or the rules and regulations, as the same may be amended from time to time, by any Lot Owner or Occupant, shall be grounds for relief that may include, without intending to limit the same or to constitute an election of remedies, an action to recover fines and penalties as determined by the Board, sums due for damages, an injunction, or any combination thereof, and which relief may be sought by the Association, an aggrieved Lot Owner, or by any person or class of persons adversely affected. Also, if any Lot Owner fails to perform an obligation under the Declaration, these By-Laws, the Articles of Incorporation or such rules and regulations, then the Association may, but is not obligated to, perform the same for the Lot Owner's account, and for such purpose may enter upon his Lot, may make necessary repairs, advance expenses or other sums necessary to cure the default, and for such expenses and costs may levy a special assessment against the Lot owned by such defaulting Lot Owner. The Association also shall be entitled to suspend the right of a defaulting Lot Owner to vote as a Lot Owner of the Association until the default is cured.

8.02 Notice of Default and Failure to Cure: In the event of any such default or failure, the Board shall serve upon or mail to the defaulting Lot Owner, and to each first mortgagee of that Lot a written notice specifying the nature of the default, the cure thereof, and the time within which the cure shall be effected. Within the time limit specified in the notice, the defaulting Lot Owner may cure the default specified, or serve upon or mail a written notice to the Board of Directors requesting a hearing before the Board. If a hearing is so requested, the Board shall thereafter serve upon or mail to the defaulting Lot Owner, and to each such first mortgagee as above provided, a notice specifying the time and place for such hearing. At the hearing, the Board shall take such evidence and hear such testimony as it deems necessary or desirable. The Board shall not exercise any remedies to obtain relief from the default until the hearing is over and the Board has made its determination and served upon or mailed the same to the defaulting Lot Owner and each such first mortgagee. The hearing may be continued from time to time as determined by the Board. Upon taking such evidence and hearing such testimony, the Board, at the hearing or at such later time, shall determine, in writing, and

at its sole option, to waive the default in whole or in part, to extend the time within which the default may be cured, or proceed immediately to levy a fine or penalty, or to exercise any one or more of the remedies available to the Board due to such default. The Board shall serve upon or mail to the defaulting Lot Owner, and to each such first mortgagee as above provided, a copy of its determination. If the defaulting Lot Owner (i) does not cure the default or request a hearing within the time limit specified in the original notice of default given pursuant to this Section 8.02, or (ii) so requests a hearing, but fails to cure the default (to the extent not waived by the Board) within the extended time, if any, granted by the Board after the hearing, then the Board shall serve upon or mail to the defaulting Lot Owner, and to each such first mortgagee as above provided, a written notice of such Lot Owner's failure to effect a cure, and the Board may then proceed to take such action as it deems necessary to obtain relief.

8.03 Remedy of Abatement in Addition to Other Remedies. In the event a Lot Owner fails to effect the cure specified by the Board within the time period set out in (i) or (ii) of Section 8.2 hereof, whichever is applicable, where the default is a structure, thing, or condition existing in or on the premises of the Lot Owner's Lot, the Board, or its duly authorized representative, shall have the right to enter upon the premises of the Lot in which, on which or as to which, such default exists, and summarily to abate and remove, at the defaulting Lot Owner's expense (and levy an assessment therefor as provided in Section 8.01 hereof), the structure, thing or condition constituting the default, and the Board, the Association, and their agents, employees, and representatives shall not thereby be deemed guilty of any manner of trespass.

8.4 Injunction. Any person or class of persons entitled to seek relief for any such default or failure may obtain a temporary restraining order, injunction or similar relief, without first using the procedure established by Section 8.2 hereof, if such default or failure creates an emergency or a situation dangerous to persons or property.

8.5 Recovery of Attorneys' Fees and Costs. In any matter or proceeding arising because of an alleged default by a Lot Owner, and in the event it is established that the Lot Owner is in default, then the Association shall be entitled to recover the costs of any such proceeding as well as reasonable attorneys' fees and interest, interest being the highest rate of interest allowed by law from the date the Association incurs said costs through the date the Association is paid.

8.6 Nonwaiver of Covenants. The failure of the Association or of any Lot Owner thereof to enforce any term, provision, right, covenant, or condition that may be granted by the Declaration, these By-Laws, the Articles of Incorporation, the rules and regulations as the same may from time to time be amended, shall not constitute a waiver or abrogation of the right of the Association or a Lot Owner to enforce such term, provision, right, covenant, or condition in the future, irrespective of the number of violations or breaches thereof that may have occurred.

8.7 Assessment Liens. Assessment liens shall be enforced pursuant to Article VII of the Declaration.

ARTICLE IX

AMENDMENT

Amendments. These By-Laws may be amended or repealed or new By-Laws adopted upon the affirmative vote of a majority of Lot Owners at any regular or special meeting. An amendment shall be effective immediately after adoption unless a later effective date is specifically adopted at the time the amendment is enacted.

ARTICLE X

GENERAL PROVISIONS

10.1 Rules and Regulations.

(a) By the Board. The Board, including the first Board, may promulgate from time to time such rules and regulations as it deems reasonable and necessary governing the administration, management, operation, and use of the Common Areas, Open Spaces and Recreational Amenities so as to promote the common use and enjoyment thereof by Lot Owners and occupants and for the protection and preservation thereof. In addition, the Board may adopt such rules and regulations as it deems reasonable and necessary with respect to Lots to provide for the common good and enjoyment of all Lot Owners and occupants, including, without limitation the right to adopt such rules and regulations with reference to tenants and leases.

(b) By the Association. Any such rules or regulations adopted by the Board may be amended, modified, or revoked, and new and additional rules and regulations may be adopted by Lot Owners at an annual or special meeting of the members. Any such act of the Lot Owners shall control over any contrary rule or regulation then or thereafter adopted by the Board.

(c) Copies Furnished. Copies of all such rules and regulations and any amendments thereto shall be furnished to all Lot Owners, and a copy shall be posted or otherwise made available to Lot Owners at the office of the Association. However, failure to furnish, or post, or make available, such rules and regulations shall not affect in any way their validity or enforceability.

10.2 Assessments. Each Lot Owner is obligated to pay the assessments composed upon him by the Association to meet general common element expenses which shall include a liability insurance premium and may include other insurance, if necessary for the common properties of the Association. Such assessments levied upon a Lot Owner shall become a lien on said Lot at the time assessed and until paid in full. Each regular assessment levied shall be due and payable within thirty (30) days after the date of assessment. Any special assessment, designated as such by the Board, shall be due and payable when assessed. There will be no declaration in trust for enforcement of said lien.

ADDENDUM TO BYLAWS APPROVED BY MEMBERSHIP 11/26/99

10.2 becomes 10.2(a) and add:

10.2(b). In order to ensure the provision of sufficient levels of amenities (to include but not limited to, a clubhouse, pool, tennis courts, roads, signs, piers, etc.) to meet the needs of the members, a special assessment of no less than \$9,000.00 will be assessed against each residential lot in Phase III at the time of settlement or the Board of the association may, at its discretion, negotiate with the Developer of Phase III for the provision of an amenity package within the overall community which would alleviate the need for the imposition of such a special assessment.

10.3 Conflicts. If any amendment or interpretation to the By-Laws creates an inconsistency with the provisions or interpretation of the Declaration, to the extent such inconsistency exists, the Declaration shall control.

IN WITNESS WHEREOF, the Declarant has caused these By-Laws to be signed and sealed by its duly authorized officers, as its act and deed, on that date set forth within the acknowledgment hereof.

MONTERAY. SHORES PUD HOMEOWNERS ASSOCIATION,
INC.

By: _____ (SEAL)
President

ATTEST:

By: _____
Secretary

(CORPORATE SEAL)

STATE OF NORTH CAROLINA
COUNTY OF DARE

This the _____ day of _____, 1995

_____ personally came before me, _____ who
being by me duly sworn says that he is the President of MONTERAY SHORES PUD
HOMEOWNERS ASSOCIATION, INC., that the seal affixed to the foregoing instrument in writing
is the corporate seal of said corporation, said writing was signed and sealed by him in the office of
said corporation by authority duly given him, and the said Secretary acknowledged the said writing
to be the act and deed of said corporation.

Notary Public

My Commission Expires

SEAL/STAMP