

BY-LAWS

OF

CLAY CROSSING OWNERS' ASSOCIATION

ARTICLE I: GENERAL

Section 1. Name. The name of the corporation is **CLAY CROSSING OWNERS' ASSOCIATION**

Section 2. Principal Office. The principal office of the Association shall be CLAY CROSSING OWNERS' ASSOCIATION, 622 TIMBERLAKE LANE, WILMINGTON, NORTH CAROLINA 28411, or at such other place as may be subsequently designated by the Board of Directors.

Section 3. Registered Office. The registered office of the Association, which by law is required to be maintained in the State of North Carolina, shall be located at 622 TIMBERLAKE LANE, WILMINGTON, NORTH CAROLINA 28411, or at such other place within the State of North Carolina as may from time to time be fixed and determined by the Board of Directors.

Section 4. Definition. As used herein, the term "Corporation" may be used interchangeably with and shall be the equivalent to "Association" as defined in the Declaration of Covenants, Conditions and Restrictions for CLAY CROSSING and all definitions set forth in the Declaration for CLAY CROSSING as amended from time to time, shall be applicable herein unless otherwise defined herein. The term "Declaration" shall refer and mean the Declaration of Covenants, Conditions and Restrictions for CLAY CROSSING .

ARTICLE II: MEMBERSHIP

Section 1. Definition. Each lot owner shall be a member of the Association and membership in the Association shall be limited to owners of Lots in CLAY CROSSING .

Section 2. Transfer of Membership and Ownership. Membership in the Association may be transferred only as an incident to the transfer of the transferor's lot, and such transfer shall be subject to the procedures set forth in the Declaration of Covenants, Conditions and Restrictions for CLAY CROSSING .

ARTICLE III: MEETINGS OF MEMBERSHIP

Section 1. Place. All meetings of the membership shall be held in New Hanover County, North Carolina, or at such other place as may be stated in the notice.

Section 2. Annual Meeting.

A. Meetings shall be held at least annually. The annual meeting of members shall be held New Hanover County, North Carolina, upon the earlier of the following events: 180 days after conveyance of at least Eighty Percent (80%)of all lots that may be created under the "Declaration" to owners other than the Declarant, or December 31, 2025, whichever occurs first. The first Directors and Officers will be appointed by the Declarant and will hold office until the initial annual meeting occurs, and new directors and officers are elected. In the event of a vacancy occurring prior to the first meeting the Declarant will appoint a

successor.

B. Regular annual meetings subsequent to the first meeting shall be held on the first Wednesday in March in each year, if not a legal holiday and if a legal holiday, then on the next secular day following, unless otherwise determined by the Board.

C. All annual meetings shall be held at such hour as is determined by the Board.

D. At the annual meeting, the members shall elect the new members of the Board of Directors and transact such other business as may properly come before the meeting.

E. Written notice of the annual meeting shall be served upon, mailed or emailed to each member entitled to vote thereafter at such address as appears on the books of the Association, at least ten (10) but not more than sixty (60) days prior to the meeting. Each member shall notify the Secretary of any address change, and the giving of said notice shall be in all respects sufficient if sent to the address of the member which is then on file with the Secretary.

Section 3. Membership List. At least ten (10) but not more than sixty (60) days before every election of Directors, a complete list of members entitled to vote at said election with residence of each shall be prepared by the Secretary. Such list shall be produced and kept for said ten (10) days prior to and throughout the election at the office of the Association, and shall be open to examination by any member throughout such time.

Section 4. Special Meetings.

A. Special Meetings of the members for any purpose or purposes not prescribed by statute, the Articles of Incorporation, or these By-Laws may be called by the President, by a majority of the Board or at the request in writing of twenty five percent (25%) of the members. Such request shall state the purpose or purposes of the proposed meeting.

B. Written notice of a Special Meeting of members stating the time, place and object thereof shall be served upon, mailed or emailed to each member entitled to vote thereat, at such address as appears on the books of the Association at least ten (10) days before such meeting and no more than sixty (60) days before such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the member at such address as appears on the records of members of the Association.

C. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 5. Quorum. (a) Unless the bylaws specify a larger percentage, a quorum is deemed present throughout any meeting of the association if persons entitled to cast fifty percent (50%) of the votes of the association are present in person or by proxy at the beginning of the meeting.

(b) A quorum is deemed present throughout any meeting of the executive board if persons entitled to cast fifty percent (50%) of the votes on that board are present at the beginning of the meeting.

(c) In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later time by the affirmative vote of a majority of those present in person or by proxy. Notwithstanding any provision to the contrary in the declaration or 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 reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 6. Vote Required to Transact Business. When a quorum is present at any meeting, a majority of the votes cast in person or represented by written proxy filed with the Secretary in advance of the meeting shall decide any question brought before the meeting, unless the question is one upon which by express provision of the statutes, the Declaration of Covenants, Conditions and Restrictions for CLAY CROSSING or these By-Laws a different vote is required in which case such express provision shall govern and control the division of such question. There shall be no cumulative voting.

Section 7. Right To Vote. The Declarant shall have three (3) votes for each lot it owns during the Declarant Control Period as set forth in the Declaration of Covenants for CLAY CROSSING . All other lots shall be assigned one vote per lot. At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. If more than one person or entity owns a lot, they shall file a certificate with the Secretary naming the person authorized to cast the vote for said lot. If same is not on file, the vote of any co-owner present who is acceptable to other co-owners of that lot present shall be accepted as the vote of all co-owners. Any legal entity which is an owner shall have the right to membership in the Association and the right to one vote for each lot owned.

Section 8. Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of the statutes the Declaration of Covenants, Conditions and Restrictions for CLAY CROSSING or these By-Laws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if all members who would have been entitled to vote upon the action of such meeting if such meeting were held shall consent in writing to such action being taken.

Section 9. Order of Business. The order of business at annual members' meetings and as far as practical at other members' meetings will be:

- A. Roll call and certification of proxies;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading of minutes of prior meeting;
- D. Officers' reports;
- E. Committee reports;
- F. Appointment by Chairman of Inspectors of Election;
- G. Approval of budget;

- H. Elections of directors and officers;
- I. Unfinished business;
- J. New business;
- K. Adjournment.

ARTICLE IV: BOARD OF DIRECTORS

Section 1. Number and Term. The number of directors which shall constitute the whole Board of Directors (the "Board") shall be three. Until succeeded by directors elected at the first annual meeting of members, after the expiration of the right of as Declarant to name the majority of the directors, the directors need not be members; thereafter, all directors shall be members. All directors shall be an owner or in the case of partnership owners or mortgagees, shall be members or employees of such partnership, or in the case of corporate owners or mortgagees, shall be officers, shareholders, employees, of such corporations, or in the case of fiduciary owners or mortgagees, shall be officers, shareholders or employees of such fiduciary. The term of office of a director shall be two (2) years.

Section 2. Vacancy and Replacement. Other than a director selected by Declarant, if the office of any director becomes vacant by reason of transfer of ownership, death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining directors, though less than a quorum, at a special meeting of directors duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

Section 3. Removal. Other than directors selected by Declarant, directors may be removed with or without cause, by an affirmative vote of a majority of the total membership.

Section 4. Initial Board of Directors. The first Board shall consist of members who shall hold office and exercise all powers of the board until the initial annual membership meeting, provided, any or all of said directors shall be subject to replacement in the event of resignation or death as above provided.

Section 5. Powers and Duties. The property and business of the Association shall be managed by the Board, which may exercise all Association's powers not specifically prohibited by statute or the Declaration to which these By-Laws are attached. The powers of the Board shall specifically include, but not limited to, the following:

A. To make and collect regular and special assessments and establish the time within which payment of same are due.

B. To use and expend the assessments collected to maintain, care for and preserve the common areas, limited common areas limited common areas and other items more particularly set forth in the Declaration for CLAY CROSSING except those portions thereof which are required to be maintained, cared for, and preserved by the owners.

C. To purchase the necessary equipment and tools required in the maintenance, care and preservation referred to above.

D. To enter into and upon the lots when necessary and at as little inconvenience to the owner as possible in connection with such maintenance, care and preservation.

E. To insure and keep insured the common areas and facilities in the manner set forth in the Declaration against loss from fire and/or other casualty, and against public liability, and to purchase such other insurance as the Board may deem advisable, including insurance against Directors' liability.

F. To collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from owners for violations of these By-Laws Rules and Regulations of the Association and the terms and conditions of the Declaration of Covenants, Conditions and Restrictions for CLAY CROSSING

G. To employ and compensate such personnel as may be required for the maintenance and preservation of the property.

H. To contract for management of Association properties and to delegate to such other parties all powers and duties of the Association except those specifically required by the Declaration of Covenants, Conditions and Restrictions for CLAY CROSSING to have specific approval of the Board of Directors.

I. To carry out the obligations of the Association under any restrictions and/or covenants running with the land.

J. To adopt such Rules and Regulations as the Board deems appropriate and to amend said Rules and Regulations, provided said Rules and Regulations may not be inconsistent with or contrary to these Bylaws, the Declaration for CLAY CROSSING or any existing applicable zoning regulations by any governmental entity having jurisdiction over the property.

K. To impose a special assessment (against any owner) after notice and opportunity to be heard, not to exceed one hundred (\$100.00) dollars for each occurrence, for the violation by the owner of any By-Law contained herein, any rule or regulation of the Association, or the breach of any provision of the Declaration. Such assessment shall be in addition to any costs incurred or to be incurred by the Association as a result of the violation of the rule, regulation, By-Law, or provision of the Declaration.

L. To propose and adopt an annual budget for the property. Summaries of the adopted proposed budget shall be provided to all lot owners within thirty (30) days from adoption and the Board shall set a date not less than ten (10) nor more than sixty (60) days after delivery of the summary for a meeting of the lot owners to consider ratification of the proposed budget. Pursuant to NCGS 47F-3-103, there shall be no requirement that a quorum be present at the meeting for the budget to be ratified.

M. Institute, defend, or intervene in its own name in litigation or administrative proceedings on matters affecting the Association.

N. Make contracts and incur liabilities.

O. Cause additional improvements to be made as a part of the common elements.

P. Grant easements, leases, licenses, and concessions through or over the common elements.

Q. To appoint members of the Architectural Control Committee for CLAY CROSSING which committee shall have the authority and powers granted under the Declaration of Restrictions for CLAY CROSSING .

R. To exercise any and all other powers of owner's associations allocated under NCGS §47F-3-102 incorporated by reference. In the event that any statutory provision of NCGS §47F-3-102 conflicts with the provisions of this Article IV, Section 5 then the statutory provisions will have priority.

Section 6. Liability. The directors shall not be liable to the owners except for their own individual willful misconduct, bad faith or gross negligence.

Section 7. Compensation. Neither directors nor officers shall receive compensation for their services as such, provided that the Association may budget such sums as it may deem appropriate for direct reimbursement of actual expenses incurred by the directors or officers in behalf of the Association.

Section 8. Meetings.

A. The first meeting of each Board of Directors newly elected by the members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board shall be held at the same place as the general members' meeting, and immediately before or after the adjournment of same.

B. Special meetings shall be held whenever called by the direction of the President or a majority of the Board. The Secretary shall give notice of each special meeting either personally, by mail or telegram, at least three (3) days before the date of such meeting, but the directors may, in writing, waive notice of the calling of the meeting, before or after such meeting.

C. A majority of the Board members shall be necessary and sufficient at all meetings to constitute a quorum for the transactions of business, and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at the meeting, the directors then present may adjourn the meeting without notice other than announcement at the meeting until a quorum shall be present.

D. Action taken by a majority of the Directors without a meeting shall constitute Board action if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 9. Order of Business. The order of business at all meetings of the Board shall be as follows:

- A. Roll call;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading of minutes of last meeting;

- D. Consideration of communications;
- E. Elections of necessary directors and officers;
- F. Reports of officers and employees;
- G. Reports of committees;
- H. Unfinished business;
- I. Original resolutions and new business;
- J. Adjournment.

Section 10. Annual Statement. The Board shall present, no less often than at the annual meeting, a full and clear statement of the business and condition of the Association, including a report of the operating expenses of the Association and the assessments paid by each member.

ARTICLE V: OFFICERS

Section 1. Executive Officers. The executive officers of the Association shall be, at a minimum, a President and Secretary, but may also include a Vice-President and Treasurer; all of whom shall be elected annually by the Board. Any two offices may be held by the same person except for the offices of President and Secretary. The Board may appoint an assistant Treasurer and an Assistant Secretary and any such other officers as in its judgment may be necessary. All officers shall be Directors.

Section 2. Tenure of Officers: Removal. All officers shall be subject to removal, with or without cause, at any time by action of the Board. The Board may delegate powers of removal of subordinate officers and agents to any officer.

Section 3. The President.

A. The President shall preside at all meetings of the members and directors; he shall have general and active management of the business of the Association; he shall see that all order and resolutions of the Board are carried into effect; he shall execute bonds, mortgages, amendments to the Declaration or By-Laws, deeds of trust and other contracts requiring a seal, under the seal of the Association.

B. The President shall have general superintendence and direction of all the officers of the Association, and shall see that their duties are performed properly.

C. The President shall submit a report of 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, and from time to time shall report to the Board all matters within his knowledge which the interest of the Association may require to be brought to their notice.

D. The President shall be an ex-officio member of all committees, and shall have the general powers and duties of supervision and management usually vested in the office of the President of an Association.

Section 5. The Secretary.

A. The Secretary shall keep the minutes of the members meetings; and of the Board's meetings in one or more books provided for that purpose.

B. The Secretary shall see that all notices are fully given in accordance with the provisions of these By-Laws or as required by law.

C. The Secretary shall be custodian of the Association's records.

D. The Secretary shall keep a register of the post office address of each member, which shall be furnished to the Secretary by such member.

E. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 6. The Vice-President.

A. The Vice President shall be vested with all the powers and required to perform all the duties of the President in his absence, and such other duties as may be prescribed by the Board.

Section 7. The Treasurer.

A. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may be designated by the Board.

B. The Treasurer shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association. Such records shall be open to inspection by members at reasonable times.

C. The Treasurer may be required to give the Association, at the Association's cost, a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and the restoration to the Association, in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Association.

D. The Treasurer shall maintain a register for the names of any mortgage holders or lien holders on lots who have requested in writing that they be registered and to whom the Association will give notice of default in case of nonpayment of assessments. No responsibility of the Association is assumed with

respect to said register except that it will give notice of default of any owner in his obligations to the Association to any registered mortgagee or lienor therein, if so requested by said mortgagee or lienor.

E. With the approval of the Board, the Treasurer shall be authorized to delegate all or part of his responsibilities to competent accounting, collection or management personnel, pursuant to written definition of the responsibilities delegated to, and the condition of performance imposed upon, such personnel, but, in such event, the Treasurer shall retain supervisory responsibilities.

Section 8. Vacancies. If the office of any director or officer becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining directors, by majority vote of the remaining directors provided for in these By-Laws, may choose a successor or successors who shall hold office for the unexpired term. If the number of directors falls below two, a special members' meeting shall be called for the purpose of filling such vacancies in the Board of Directors.

Section 9. Resignations. Any director or officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the Board of Directors, unless some later time be fixed in the resignation, and then from that date. The acceptance of a resignation by the Board shall not be required to make it effective.

ARTICLE VI: NOTICES

Section 1. Definition. Whenever under the provisions of the statutes, the Declaration of Covenants, Conditions and Restrictions for CLAY CROSSING or these By-Laws, notice is required to be given to any director or member, it shall not be construed to mean personal notice, but such notice may be given in writing and served upon, emailed or mail, by depositing the same in a post office or letter box in a post paid, sealed envelope, addressed as appears on the books of the Association.

Section 2. Service of Notice - Waiver. Whenever any notice is required to be given under the provisions of the statutes, the Declaration of Covenants, Conditions and Restrictions for CLAY CROSSING, or these By-Laws a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII: FINANCES

Section 1. Fiscal Year. The fiscal year shall be the calendar year, unless changed by action of the Board of Directors.

Section 2. Checks. All checks or demands for money and notes of the Association shall be signed by any one of the following officers: President, Secretary, Vice-President or Treasurer, or by such officer or officers or persons as the Board of Directors may from time to time designate.

Section 3. Determination of Assessments.

A. The Board shall determine from time to time but at least annually, the sum or sums necessary and adequate for the common expense of the lots and shall prepare or have prepared an annual budget to be presented at the annual meeting of the Association. Such budget shall constitute the basis for

the assessments for common expenses against lot owners. The regular assessments shall be due and payable periodically as determined by the Board. The expenses shall include expenses for the operation, maintenance, repair or replacement of the common areas and facilities, costs of carrying out the powers and duties of the Association, all insurance premiums and other expenses that from time to time may be incurred by the Board of Directors of the Association and all other matters set forth in the Declaration or these By laws.

B. The Board is specifically empowered on behalf of the Association to make and collect assessments and maintain repair and replace the common areas and facilities. Funds for the payment of common expenses shall be assessed against the lot owners in the proportions of percentages of sharing common expenses provided in the Declaration. Assessments shall be payable periodically as determined by the Board.

C. Special assessments may be imposed as provided in the Declaration for CLAY CROSSING under Article VI Covenants for Assessments and under these bylaws.

D. When the Board has determined the amount of any assessment, the Treasurer of the Association (or the personnel to whom such authority has been delegated) shall provide notice of the assessment to each of the assessed owners. All assessments shall be payable to the Association. The Treasurer or his designated agent shall maintain appropriate records of all charges against the payments from each lot owner.

E. The Board may enter into a management contract with third parties to whom the Board may delegate the power to levy and collect assessments approved by the Board or required by the Declaration of Covenants, Conditions and Restrictions for CLAY CROSSING .

F. All assessments not paid when due shall incur late charges and bear interest at the maximum rate allowed by law. Both interest and late charges are additional assessments against the lot and are payable immediately. When charged they become a part of the unpaid assessment balance and are treated as such.

Section 4. Excess of Assessments. In any year in which there is an excess of assessments received over amounts actually used or payable for the purposes described in these By-Laws, and in the Declaration, such excess shall, unless otherwise determined by the Board of Directors of the Association, be deposited in a capital reserve account for use in replacement, repair or maintenance of the common areas and facilities of the Association.

ARTICLE VIII: DEFAULT

Section 1. Enforcement of Lien for Assessments. In the event an owner does not pay any sums, charges, or assessments required to be paid to the Association by the due date, the Association, acting on its behalf or through its Board, may enforce its lien for assessments, or take such other action to recover the sums, charges or assessments to which it is entitled in accordance with the Declaration and the statutes made and provided or both.

Section 2. Fines. The Declaration of Covenants, Conditions and Restrictions along with the By-Laws and Rules and Regulations of the Association are obligations of each owner of a lot in CLAY CROSSING . Failure to comply with these obligations may result in disciplinary action by the Board of

Directors. The Board may appoint an adjudicatory panel to determine if a lot owner should be fined, not to exceed one hundred dollars (\$100.00) per day for a violation of the Declaration, By-Laws or rules and regulations of the Association and as provided in NCGS § 47-3-107.1. The panel shall accord to the party charged with the violation notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. Such a fine shall be an assessment secured by lien under Article 6 of the Declaration.

Section 3. Foreclosure. If the Association becomes the owner of a lot by reason of foreclosure, it may attempt to lease or offer said lot for sale. The Association shall deduct from the proceeds of said lease or sale all sums of money due it for assessments, charges, and late fees, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, funds necessary to discharge any liens or mortgages of record, and any and all expenses incurred in the resale of the lot, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for repairing and refurbishing of the lot in question. All monies remaining after deducting the foregoing items of expenses, costs and other deductions shall be returned to the former owner of subject lot.

Section 4. Other Remedies. In the event of violation of the provisions of the Declaration of Covenants, Conditions and Restrictions as the same are defined in the Declaration, for ten (10) days after notice from the Association to the lot owners to correct said violation, the Association, on its own behalf or by and through its Board of Directors, may bring appropriate action to enjoin such violation or may enforce the provisions of said Declaration of Covenants, Conditions and Restrictions for CLAY CROSSING or may sue for damages, or take such other courses of action, or other legal remedy as it or they may deem appropriate.

Section 5. Legal Costs. In the event any legal action is brought against an owner and results in a judgment for the Association, the owner shall pay the Association's reasonable attorney's fees, costs of collection, and Court costs.

ARTICLE IX: JOINT OWNERSHIP

Membership may be held in the name of more than one owner. In the event ownership is in more than one person, all of the joint owners shall be entitled collectively to only one voice or ballot in the management of the affairs of the Association, and the vote may not be divided between plural owners. The manner of determining who shall cast such vote shall be set forth in **ARTICLE III, Section 7.**

ARTICLE X: INDEMNIFICATION

The Association may secure such insurance as it deems appropriate to insure the directors or officers of the Association, including their committees, agents or employees, against all suits or actions arising out of matters performed in their capacity as directors or officers of the Association including the reasonable expenses including attorney's fees actually and necessarily incurred in connection with the defense or settlement of such action, or in connection with an appeal therein, except in relation to such matters as to which such director, officer, committee member, agent or employee is adjudged to have been guilty of gross negligence or misconduct in the performance of his duty to the Association.

ARTICLE XI: AMENDMENT

These By-Laws may only be altered, amended or added to at any duly called meeting of the members; provided (i) that the notice of the meeting shall contain a full statement of the proposed amendment; (ii) that the quorum requirement for such purposes shall be a majority of all the then members, in person or by proxy; (iii) that there be an affirmative vote of owners holding not less than two-thirds of the qualified votes of members represented at such quorum; and (iv) that there is or has been affirmative vote of the Board of Directors. **ARTICLE III, Section 2A** may not be amended without express approval of Declarant, as defined in the Declaration. No amendment to these By-Laws shall be passed which would operate to impair or prejudice the rights and/or liabilities of any mortgagees, and no amendment shall become operative unless set forth in an Amended By-Laws and duly recorded. All lot owners shall be bound to abide by any amendment upon the same being passed and duly set forth in an Amended By-Laws, duly recorded in the Office of the Register of Deeds of New Hanover County, North Carolina.

ARTICLE XII: RIGHT TO INFORMATION AND FINANCIAL STATEMENT

The Association shall make available to any lot owner, any lender, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, and other rules concerning the project, and the books, records, and financial statements of the Association.

ARTICLE XIII: DISTRIBUTION OF ASSETS IN EVENT OF TERMINATION

No part of the net earnings of the Owners Association Corporation shall inure to the benefit of any officers, directors or members of the Corporation and in the event of dissolution of the Owners Association Corporation, the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provisions made therefor, be distributed to any association or associations organized for purposes similar to those set forth in this Owners Association Corporation.

ARTICLE XIV CONSTRUCTION

Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, where the context so requires.

Should any of the covenants herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect.

The foregoing were adopted as the By-Laws of CLAY CROSSING HOMEOWNERS' ASSOCIATION at the first meeting of its Board of Directors.

IN WITNESS WHEREOF, the DECLARANT, has caused this instrument to be executed by its proper corporate officers, effective May 9, 2018.

DARDEN ROAD, LLC

By: _____
Daniel Hilla, Member/Manager

Certified to be correct, effective May 9, 2018.

SECRETARY OF THE MEETING OF THE FIRST
BOARD OF DIRECTORS OF CLAY CROSSING
HOMEOWNER'S ASSOCIATION