BYLAWS

OF

HARBOUR MASTER VILLAS

CONDOMINIUM ASSOCATION, INC

EXHIBIT "C"

BYLAWS
OF
HARBOUR MASTER VILLAS CONDOMINIUM ASSOCIATION, INC.

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BYLAWS
OF
HARBOUR MASTER VILLAS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

Offices

Section 1. Principal Office: The principal office of the corporation shall be located in New Bern, North Carolina.

Section 2. Registered Office: The registered office of the corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 3. Other Offices: The corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors from time to time may determine, or as the affairs of the corporation may require.

ARTICLE II

Meetings of Members

Section 1. Place of Meetings: All meetings of members shall be held at the principal office of the corporation or at such other place, either within or without the State of North Carolina, as shall be designated in the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.

Section 2. Annual Meetings: The annual meeting of members shall be held at 10:00 a.m. on the third Saturday in November of each year, if not a legal holiday, but if a legal holiday then on the next day following not a legal holiday, for the purpose of electing directors of the corporation and for the transaction of such other business as properly may be brought before the meeting.

Section 3. Substitute Annual Meeting: If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. Special Meetings: Special meetings of the members may be called at any time by the President, Secretary, or Board of Directors of the corporation, or by any member pursuant to the written request of the holders of not less than one-twentieth (1/20) of the total vote of the members as specified in Section 9 of this Article.

Section 5. Notice of Meetings: Written or printed notice stating the time, place, day and hour of the meeting shall be delivered not less than ten (10) nor more than fifty (50) days before the date thereof, either personally or by mail, by or at the direction of the President, the Secretary, or other person calling the meeting, to each member of record entitled to vote at such meeting.

In the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless such a statement is expressly required by the provisions of the North Carolina Nonprofit Corporation Act. In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 6. Voting Lists: A voting list shall not be required to be prepared if the record of members actually presented shows in alphabetical order or by alphabetical index the names of the members entitled to vote with their addresses; except that on demand of any member rendered at least twenty (20) days prior to any meeting, a voting list shall be prepared by the Secretary of the corporation. Only voting members, as defined in the Declaration of Unit Ownership, shall be entitled to vote and included in the voting list.

Section 7. Quorum. The holders of a majority of the votes of the entire membership, represented in person or by proxy, shall constitute a quorum at a meeting of members.

The members present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

In the absence of quorum at the opening of any meeting of members, such meeting may be adjourned from time to time by the majority of the votes on the motion to adjourn; and at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

Section 8. Proxies: Voting members may vote either in person or by one or more agents authorized by a written proxy executed by the member or by his duly authorized attorney-in-fact. A proxy is not valid after the expiration of eleven (11) months from the date of its execution unless the person executing it specifies therein the length of time for which it is to continue in force or limits its use to a particular meeting.

Section 9. Voting. On all matters upon which the members shall be entitled to vote, each member shall have a vote as provided in the Declaration of Unit Ownership recorded in the Office of the Register of Deeds of Craven County, North Carolina.

Where the Declaration of Unit Ownership provides for the designation of a voting member, the designation shall be made by filing a writing with the Secretary of the corporation which shall set forth the name of the individual voting member and warrant to the corporation that the corporation shall be entitled to rely upon the authority granted thereby until such time as the designation has been revoked. The revocation of the designation of a voting member shall be effected by filing a writing with the Secretary of the corporation which shall state the name of the voting member whose authority is thereby revoked and which shall designate a successor voting member who shall thereafter be the voting member. No other means of revocation of the designation of a voting member shall be effective.

Except as otherwise may be provided in these Bylaws or the Declaration of Unit Ownership, the majority of votes cast by the voting members on any matter at a meeting of members at which a quorum is present shall be the act of the members on that matter, unless a greater vote is required by law or the Charter or Bylaws of the corporation or the Declaration of Unit Ownership. Voting in all matters except the election of directors shall be by voice vote or by a show of hands unless the holders of one-tenth (1/10) of the vote represented at the meeting, prior to voting on any matter, demand a ballot vote on that particular matter.

Section 10. Informal Action by Members: Any action which may be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the corporation to be kept as part of the corporate records.

ARTICLE III

Directors

Section 1. General Powers: The business and affairs of the corporation shall be managed by the Board of Directors or, as provided in the Declaration of Unit Ownership, by a management firm pursuant to a management agreement between the management firm and the corporation.

All of the powers and duties of the corporation shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation, these Bylaws, and the Declaration of Unit Ownership. Such powers and duties shall be exercised in accordance with the Articles of Incorporation, these Bylaws, and the Declaration of Unit Ownership and shall include, without limiting the generality of the foregoing, the following:

(a) To make, levy and collect assessments against members and members' interests in Condominium Units to defray the cost of the Condominium, as provided in the Declaration of Unit Ownership, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the corporation; and,

(b) To maintain, repair, replace, operate and manage the common areas and facilities wherever the same is required to be done and accomplished by the corporation

for the benefit of its members as provided in the Declaration of Unit Ownership; and further, to approve any expenditure made or to be made for said purposes; and,

(c) To make, amend and enforce rules and regulations governing the use of the common areas and facilities in the Condominium Units, as defined in the Declaration of Unit Ownership, so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and the Declaration of Unit ownership; and,

(d) To pay all taxes and assessments which are or may become liens against any part of the Condominium Complex, as defined in the Declaration of Unit Ownership, other than Condominium Units and any appurtenances thereto, and to assess the same against the members and their respective condominium Units subject to such liens; and,

(e) To pay all costs of power, water, sewer and other utility services rendered to the Condominium Complex not billed to the owners of the separate Condominium Units; and,

(f) To designate and remove personnel necessary for the maintenance, repair, replacement and operation of the Condominium Complex, including the common areas and facilities; and,

(g) To assign all management duties to a management firm pursuant to a management agreement as provided in the Declaration of Unit Ownership.

Section 2. Number, Term and Qualifications: The number of directors of the corporation shall be three (3), all of whom must be Unit Owners, as defined in the Declaration of Unit Ownership, or officers of a corporate Unit Owner, or officers of the developer, FAIRFIELD HARBOUR, INC., or parties in a partnership Unit Owner, or spouses of individual Unit Owners. Those persons named in the Articles of Incorporation shall serve as the Board of Directors until such time as their successors are duly elected at the first annual meeting of the members.

At the first annual meeting of the members, the candidate for the Board of Directors receiving the greatest number of votes shall be elected to the Board for a term of three (3) years, and the term of office of the candidate receiving the next highest number of votes shall be two (2) years, and likewise, the term of office for the candidate receiving the third highest number of votes shall be one (1) year. At the expiration of the initial term of each director, his successor shall be elected to serve a term of three (3) years. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified. Directors need not be residents of the State of North Carolina.

Section 3. Election of Directors: Except as provided in Section 6 of this Article, the directors shall be elected at the annual meeting of the members, and those persons who receive the highest number of votes shall be deemed to have been elected. If any member so demands, election of directors shall be by secret ballot.

Section 4. Cumulative Voting: Cumulative voting shall not be permitted in the election of the Board of Directors.

Section 5. Removal: A director may be removed from office pursuant to any procedure set forth in the Articles of Incorporation regardless of whether the procedure is adopted by amendment after the election of the individual to be removed as a director.

Section 6. Vacancies: A vacancy occurring in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, or by the sole remaining director. A vacancy created by an increase in the authorized number of directors shall be filled only by the election at an annual meeting or at a special meeting of members called for that purpose. The members may elect a director at any time to fill any vacancy not filled by the Board.

Section 7. Chairman of the Board: There may be a Chairman of the Board of Directors elected by the directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.

Section 8. Compensation: The Board of Directors may compensate directors for their services as such and may provide for the payment of all expenses incurred by directors in attending regular and special meetings of the Board.

Section 9. Fidelity Bond: The Board of Directors may require that any or all officers of the corporation handling funds of the corporation furnish a fidelity bond in an amount determined by the Board, the premium for which shall be paid by the corporation.

ARTICLE IV

Meetings of Directors

Section 1. Regular Meetings: A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings.

Section 2. Special Meetings: Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. Such meetings may be held either within or without the State of North Carolina.

Section 3. Notice of Meetings: Regular meetings of the Board of Directors may be held without notice.

The person or persons calling a special meeting of the Board of Directors shall, at least two (2) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 4. Waiver of Notice: Any director may waive notice of any meeting. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Quorum. A majority of the Board of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6. Manner of Acting: Except as otherwise provided in these Bylaws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 7. Presumption of Assent: A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 8. Informal Action by Directors: Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

ARTICLE V

Officers

Section 1. Number: The officers of the corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such Assistant Secretaries, Treasurers, and other officers as the Board of Directors from time to time may elect. Any two or more offices may be held by the same person, except that no officer may act in more than one capacity where action of two or more officers is required.

Section 2. Election and Term: The officers of the corporation shall be elected by the Board of Directors. Such elections may be held at any regular or special meeting of the Board. Each officer shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified.

Section 3. Removal: Any officer or agent elected or appointed by the Board of Directors may be removed by the Board with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Compensation: The compensation of all officers of the corporation shall be fixed by the Board of Directors.

Section 5. President: The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the corporation in accordance with these Bylaws.

He shall, when present, preside at all meetings of members. He shall sign, with any other proper officer, any deeds, leases, mortgages, bonds, contracts or other instruments which may be lawfully executed on behalf of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent and, in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice Presidents: In the absence of the President or in the event of his death, inability or refusal to act, the Vice Presidents in the order of their length of service as Vice Presidents, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President, with the Secretary or an Assistant Secretary, shall perform such duties as from time to time may be assigned to him by the President or the Board of Directors.

Section 7. Secretary: The Secretary shall keep accurate records of the acts and proceedings of all meetings of shareholders and directors. He shall give all notices required by law and by these Bylaws. He shall have general charge of the corporate books and records, including the minute book wherein all resolutions and the names of the directors and members shall be recorded, and of the corporate seal, and he shall affix the corporate seal to any lawfully executed instrument requiring it. He shall keep, at the registered or principal office of the corporation, a record of members showing the name and address of each member. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned to him from time to time by the President or by the Board of Directors.

Section 8. Assistant Secretaries: In the absence of the Secretary or in the event of his death, inability or refusal to act, the Assistant Secretaries in the order of their length of service as Assistant Secretaries, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. They shall perform such other duties as may be assigned to them by the Secretary, by the President, or by the Board of Directors.

Section 9. Treasurer: The Treasurer shall have custody of all funds and securities belonging to the corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. He shall keep full and accurate accounts of the finances of the corporation in books especially provided for that purpose; and he shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of its operations and of changes in surplus for such fiscal year, all in reasonable detail, to be made and filed at the registered or principal office of the corporation within four (4) months after the end of such fiscal year. The statement so filed shall be kept available for inspection by any member for a period of ten (10) years; and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to any member upon his written request therefor. The Treasurer, in general, shall perform all duties incident to his office and such other duties as may be assigned to him from time to time by the President or by the Board of Directors.

Section 10. Assistant Treasurers: In the absence of the Treasurer or in the event of his death, inability or refusal to act, the Assistant Treasurers in the order of their length of service as Assistant Treasurers, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. They shall perform such other duties as may be assigned to them by the Treasurer, by the President, or by the Board of Directors.

ARTICLE VI

Contracts, Loans, Checks and Deposits

Section 1. Contracts: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or lease, or to execute and deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances. The Board of Directors may enter into employment contracts for any length of time it deems wise.

Section 2. Loans: No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or specific in nature and scope.

Section 3. Checks and Drafts: All checks, drafts or other orders for the payment of money issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as from time to time shall be determined by resolution of the Board of Directors.

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

ARTICLE VII

General Provisions

Section 1. Seal: The corporate seal of the corporation shall consist of two (2) concentric circles between which is the name of the corporation and in the center of which is inscribed SEAL; and such seal, in the form approved and adopted by the Board of Directors, shall be the corporate seal of the corporation.

Section 2. Waiver of Notice: Whenever any notice is required to be given to any member or director under the provisions of the North Carolina Nonprofit Corporation Act or under the provisions of the Charter or Bylaws of the corporation, 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 equivalent to the giving of such notice.

Section 3. Amendments: Except as otherwise provided herein or in the Declaration of Unit Ownership, these Bylaws may be amended or repealed and new Bylaws may be adopted by two-thirds (2/3) of the votes at any regular or special meeting of the members. No modification of or amendment to the Bylaws shall be valid unless set forth in an Amendment to the Declaration and such Amendment is duly recorded. Upon adoption and proper recording of the Amendment, the same shall be binding upon all unit owners.

Section 4. Fiscal Year: The fiscal year of the corporation shall be fixed by the Board of Directors.

Section 5. Indemnification: Any person who at any time serves or has served as a director, officer, employee or agent of the corporation, or in such capacity at the request of the corporation for any other corporation, partnership, joint venture, trust, or other enterprise, shall have a right to be indemnified by the corporation to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty or settlement for which he may become liable in any such action, suit or proceeding.

The Board of Directors of the corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification required by this Bylaw, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him, and giving notice to, and obtaining approval by, the members of the corporation.

Any person who at any time after the adoption of this Bylaw serves or has served in any of the aforesaid capacities for or on behalf of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

Section 6. Mortgages: Any unit owner who mortgages his unit or his interest therein shall notify the corporation of the name and address of his mortgagee, and the corporation shall maintain a record of mortgagees. At the request of any mortgagee, the corporation shall report to the requesting mortgagee any unpaid assessments due from its mortgagor. All mortgagees shall have the rights granted to them in the Declaration, and nothing contained herein shall contravene said rights.

These Bylaws are hereby adopted, accepted and fully ratified as the Bylaws of the HARBOUR MASTER VILLAS CONDOMINIUM ASSOCIATION, INC., this 7th day of November, 1984.

Director (SEAL)

Director (SEAL)

Director (SEAL)