

BYLAWS
OF
LAKE JEANETTE RECREATION ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Lake Jeanette Recreation Association, Inc. The principal office of the corporation shall be located at 3101 N. Elm Street, Suite 220, Greensboro, Guilford County, North Carolina, but meetings of members and directors may be held at such places within the State of North Carolina as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Articles" shall mean and refer to the Articles of Incorporation of the Corporation, as amended from time to time.

Section 2. "Board of Directors" or "Board" means those persons elected or appointed to act collectively as the directors of the Corporation.

Section 3. "Bylaws" means these bylaws of the Corporation as they now or hereafter exist.

Section 4. "Corporation" shall mean and refer to Lake Jeanette Recreation Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 5. "Member" shall mean and refer to all Members of the Corporation as provided in the Articles, these Bylaws and in the Plan.

Section 6. "Plan" shall mean and refer to the Membership Plan for Lake Jeanette Swim and Tennis Club and all supplements or amendments thereto.

Section 7. "Property" shall mean and refer to all real property, together with any improvements thereon, and to all personal property, now or hereafter owned by, leased to, maintained or managed by the Corporation or with respect to which the Corporation holds an easement for the use, care or maintenance thereof, held for the common use and enjoyment of the

Members as provided herein and/or for other purposes as may be permitted by the Plan. Provided, however, that any properties that are leased to the Corporation shall lose their character as Property upon the expiration of such lease.

Section 9. "Cornwallis" shall mean and refer to Cornwallis Development Co., a North Carolina corporation, and/or its successors or assigns designated in writing by Cornwallis to exercise its rights under the Plan, the Articles of Incorporation of the Corporation and hereunder.

ARTICLE III

MEETINGS OF MEMBERS

Section A. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Corporation, on the date and at the time and place set forth by the Board of Directors in the Plan and each subsequent regular annual meeting of the Members shall be held in the month of May of each year thereafter, unless a different date and time is fixed by the Board of Directors.

Section B. Special Meetings. Special meetings of the Members may be called at any time by the president of the Corporation or by the Board of Directors, or upon written request of the Members who are entitled to cast one-fourth (1/4) of all the votes of the membership, which request shall state the purpose(s) of the proposed meeting. Business transacted at all special meetings shall be confined to the subject stated in the notice thereof.

Section C. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Corporation, or supplied by such Member to the Corporation for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section D. Quorum. The presence at the meeting of Members eligible to vote or authorized proxies amounting to one-tenth (1/10) of the votes entitled to be cast shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Plan, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than

announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section E. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable.

Section F. Ballots by Mail. When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Corporation, a statement of certain motions to be introduced for vote of the Members and a ballot on which each Member may vote for or against the motion. Each ballot which is presented at such meeting shall be counted in calculating the quorum requirements set out in Section D of this Article III. Provided, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.

Section G. Action by Written Consent. Any actions required or permitted by law to be taken at a meeting of Members may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by the number of Members required to take such action, which consent shall be filed with the secretary of the Corporation as part of the Corporation records.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section A. Number. The affairs of this Corporation shall be managed by a Board of five (5) directors. The initial Directors shall be as designated in the Articles of Incorporation. The initial Directors shall serve until the qualification of their successors who have been elected or appointed at the first annual meeting of the Corporation or any special meeting called for that purpose. All directors except those designated by Cornwallis shall be Permanent Members of the Corporation.

Section B. Term of Office. Subject to the provisions of Article V, Section A, at the first annual meeting the Members shall elect two (2) directors for a term of three (3) years, two (2) directors for a term of two (2) years and one (1) director for a term of one (1) year; and at each annual meeting thereafter the Members shall elect directors for a term of three (3) years. All directors shall serve until their successors have been duly elected and qualified.

Section C. Removal. Any director, other than a director selected by Cornwallis, may be removed from the Board, with or without cause, by a majority vote of the Members of the Corporation. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining

members of the Board, and shall serve for the unexpired term of his predecessor; provided, however, in the event of the death, resignation or removal of a director selected by Cornwallis, his successor shall be selected by Cornwallis and shall serve for the unexpired term of his predecessor.

Section D. Compensation. No director shall receive compensation for any service he may render to the Corporation as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section E. Cornwallis' Right to Appoint the Board. The initial Board of Directors shall serve until the election of their successors at the first meeting of the membership. During such time as Cornwallis remains the Developer Member as set forth in the Articles and in the Plan, Cornwallis shall have the absolute right to appoint at its sole discretion the Board of Directors. In the event that the total number of the Board of Directors is enlarged, Cornwallis shall have the right to appoint a majority of the members of the Board of Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section A. Nomination and Election of Directors Which Cornwallis has the Right to Select and Designate.

(a) So long as Cornwallis shall have the right to select and designate the Board of Directors, Cornwallis shall, at the beginning of the election of the Board of Directors, select and designate that number of the members of the Board of Directors which it shall be entitled to select and designate in accordance with the provisions of these Bylaws and the Plan. Upon such designation, such individuals shall be deemed and considered for all purposes, directors of the Corporation. Thenceforth, the designated individuals shall perform the offices and duties of such directors until their successors shall have been selected or elected in accordance with the provisions of these Bylaws.

(b) At the First Annual Meeting of the Corporation, Cornwallis shall have the right to designate and select two (2) directors whose term of office shall be three (3) years, two (2) directors whose term of office shall be two (2) years and one (1) director whose term of office shall be one (1) year.

(c) Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the

remaining directors, except that should any vacancy in the Board of Directors be created in any directorship previously filled by any person designated and selected by Cornwallis, such vacancy shall be filled by Cornwallis designating and selecting, by written instrument delivered to any officer of the Corporation, the successor director to fill the vacated directorship for the unexpired term thereof, or until his successor is duly elected and qualified to serve.

(d) In the event that Cornwallis, in accordance with the rights herein established, selects any person or persons to serve on any Board of Directors of the Corporation, Cornwallis shall have the absolute right at any time, in its sole discretion, to replace such person or persons. Replacement of any person or persons designated by Cornwallis to serve on any Board of Directors of the Corporation shall be made by written instrument delivered to any officer of the Corporation, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the person or persons designated as successor or successors to the persons so removed from said Board of Directors. The removal of any director and designation of his successor shall be effective immediately upon delivery of such written instrument by Cornwallis to any officer of the Corporation.

Section B. Nomination and Election of Directors Which Members Have Right to Elect.

(a) As to directors whom the Members shall have the right to elect, candidates for election to the Board of Directors shall be nominated by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Permanent Members of the Corporation. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting to serve until the close of that annual meeting. The identity of the members of the Nominating Committee shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

(b) All members of the Board of Directors whom Cornwallis shall not be entitled to designate and select under the terms and provisions of these Bylaws shall be elected by a plurality of the votes cast at the Annual Meeting of the Members of the Corporation immediately

following the designation and selection of directors by Cornwallis described above.

(c) Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles and the Plan. The persons receiving the largest number of votes shall be elected. At the first Annual Meeting, the two (2) people receiving the largest number of votes shall serve for a three (3) year term, the two (2) people receiving the next highest number of votes shall serve for a two (2) year term and the other elected director shall serve for a one (1) year term. Cumulative voting is not permitted. Notwithstanding the fact that Cornwallis may be entitled to designate and select a majority of the members of the Board of Directors, it, as the Developer Member, shall still be entitled to cast the number of votes held by it in the elections of other directors; provided, however, that the other directors elected shall be persons other than officers, directors, stockholders and employees of Cornwallis, or spouses and relatives of any said persons.

ARTICLE VI

MEETINGS OF DIRECTORS

Section A. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually without notice at such place and hour as may be fixed from time to time by resolution of a majority of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section B. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Corporation, or by any three (3) directors, after not less than three (3) days' notice to each director.

Section C. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section D. Waiver of Notice. Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

Section E. Action by Written Consent. Any action required or permitted by law to be taken at a meeting of directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors, which consent shall be filed with the secretary of the Corporation as part of the corporation records.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section A. Powers. The Board of Directors shall have power to:

(a) formulate, adopt, publish and enforce rules and regulations governing the use of the Property and the personal conduct of the Members and their guests thereon, and to establish penalties, including reasonable fines, for the infraction thereof;

(b) exercise for the Corporation all powers, duties and authority vested in or delegated to the Corporation and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Plan;

(c) declare the office of a member of the Board of Directors, other than a director selected by Cornwallis, to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without consent of the president;

(d) employ a manager, an independent contractor, or such employees as they deem necessary, and to prescribe their duties;

(e) contract with any person or entity to maintain the Property;

(f) procure adequate insurance, including hazard insurance on the Property, directors' liability insurance, and such other insurance as shall be required by the Plan or it shall deem necessary and appropriate, and include the cost of such insurance in the annual dues;

(g) employ attorneys to represent the Corporation when deemed necessary;

(h) lease the use of any recreational facilities for functions, lessons or special events, and allow such

lessee to charge admission or other fees for functions, lessons, or special events;

(i) limit the number of guests, regulate hours of operation, regulate behavior, and curtail any use or uses it deems necessary for either the protection of Property or the peace and tranquillity of the Members;

(j) mortgage the Property of the Corporation as security for loans made to the Corporation, upon the terms and conditions contained in the Articles.

Section B. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all of its acts and corporate affairs and to have available a statement thereof for the Members at the Annual Meeting of the Members or at any special meeting, when such statement is requested in advance in writing by Members voting one-fourth (1/4) of the votes entitled to be cast;

(b) supervise all officers, agents and employees of the Corporation, and see that their duties are properly performed;

(c) operate, maintain and preserve all of the Property and any additional property which may be brought within the jurisdiction of the Corporation;

(d) as more fully provided in the Plan, to:

(1) fix the amounts of the Processing Fee, Membership Fees and Yearly Dues for each classification of Membership;

(2) send written notice of Yearly Dues to every Member;

(3) establish guest and user fees as it deems fit for the facilities and amenities;

(4) suspend or terminate the membership of and/or bring an action at law against any Member who fails to pay the Yearly Dues owed by said Member; and

(5) procure and maintain liability insurance covering the Corporation, its directors, officers, agents and employees and procure and maintain hazard and liability insurance on the Property and such other insurance as required in the Plan;

(e) designate depositories for the Corporation funds and execute required depository documents;

(f) appoint such committees as are provided for in these Bylaws, and such other committees as shall be appropriate or necessary for the proper administration and operation of the Corporation; and,

(g) exercise its powers in good faith and do and perform such other matters and things not expressly prohibited by law, the Plan, or these Bylaws as are necessary and appropriate to the proper administration and operation of the Corporation and the Property.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section A. Enumeration of Officers. The officers of the Corporation shall be a president, one or more vice presidents (the number thereof to be determined by the Board of Directors), a secretary and a treasurer. The Board of Directors may elect such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person except the offices of president and secretary. The president and secretary shall be a director of the Corporation. Other officers may be, but need not be, directors of the Corporation.

Section B. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section C. Term. The officers of the Corporation shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve, and until his or her successor shall be duly elected and qualified to serve.

Section D. Special Appointments. The Board may elect such other officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section E. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time

specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section F. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces, or until his successor shall be duly elected and qualified to serve.

Section G. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; may sign all leases, mortgages, deeds and other written instruments; and may co-sign all checks and promissory notes.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act; and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary and Assistant Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Corporation and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Corporation together with their addresses; and shall perform such other duties as required by the Board. The assistant secretary shall assist the secretary and act in the place and stead of the secretary in the event of his or her absence.

(d) Treasurer and Assistant Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Corporation and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Corporation; keep proper books of account; and shall prepare an annual budget and statement of income and expenditures to be presented to the Members at their regular annual meeting. The assistant treasurer shall assist the treasurer and act in the place and stead of the treasurer in the event of his or her absence.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint a Nominating Committee, as provided in these Bylaws, and a Membership Committee, as provided in the Plan. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Corporation shall at all times, during reasonable business hours, be subject to inspection by any Member. Accurate records of all resolutions shall be made and maintained and those records, together with the Plan, the Articles of Incorporation and the Bylaws of the Corporation shall be available for inspection by any Member at the principal office of the Corporation, where copies may be purchased at reasonable cost.

ARTICLE XI

CORPORATE SEAL

The Corporation shall have a seal in circular form having within its circumference the words: Lake Jeanette Recreation Association, Inc.

ARTICLE XII

AMENDMENTS

Except for the provisions hereof relating to (i) the duty of the Board to maintain the Property and any additional property; and (ii) selection and designation of directors by Cornwallis, any of which provisions shall not be subject to amendment without Cornwallis' written consent, these Bylaws may be amended or repealed and new Bylaws adopted at a regular or special meeting of the Members, by a vote of the Members holding a majority of the votes entitled to be cast.

ARTICLE XIII

CONFLICTS

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in

the case of any conflict between the Plan and these Bylaws, the Plan shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Corporation shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation. No part of the net earnings of the Corporation shall inure to the benefit of its members, directors, officers, or other persons except that, to the extent otherwise allowed under these Bylaws and the Articles, the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes of the Corporation.

IN WITNESS WHEREOF, we, being all of the directors of the Lake Jeanette Recreation Association, Inc., have hereunto set our hands and seals this ____ day of _____, 1994.

_____(SEAL)
C. Richard Routh

_____(SEAL)
Conrad Hicks

_____(SEAL)
Larry Barnes, Jr.

_____(SEAL)
Betty Thornburg

_____(SEAL)
Betty Smith

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Lake Jeanette Recreation Association, Inc., a North Carolina corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 1994.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this the ____ day of _____, 1994.

(CORPORATE SEAL)

Secretary