

BYLAWS
OF
CAROLINE COVE OWNERS ASSOCIATION, INC.

ARTICLE I

DEFINITIONS

The definitions of all terms contained herein shall be the same as the definitions set forth in the Declaration or the Articles.

ARTICLE II

MEETINGS OF MEMBERS

Meetings shall be held of the members of the Association at such time and place as shall be determined by a majority of the Board. Written notice of each meeting of the members shall be given by or at the direction of the Board by mailing a copy of such notice, postage prepaid, at least ten (10) days prior to such meeting. Such notice shall be mailed to each member as of the date of such mailing at the address appearing on the records of the Association as of that date. Such notice shall specify the time, place, date and purpose of the meeting.

The presence at the meeting of members and proxies entitled to cast a majority of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided by the Articles, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote at such meeting shall have the power to adjourn the meeting, without notice other than announcement at the meeting, until a quorum is present or represented.

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 of the Association prior to such meeting. Each proxy shall be revocable and shall automatically cease upon conveyance by a member of his Residential Lot.

ARTICLE III

BOARD OF DIRECTORS

While there is still a Class B membership, the number of directors shall be determined and appointed by the Declarant provided that there shall not be less than three (3) directors. Thereafter, there shall be three (3) Board members until such time as the number of directors is changed by a majority vote of a quorum of the members entitled to vote at a meeting called for such purpose.

Each director shall serve for a term of twelve (12) months or until a successor director is elected by the members or appointed by the

Declarant or the Board.

Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association or in the event a member of the Board is absent from three (3) consecutive meetings of the Board, by a majority vote of the members of the Board. In the event of the 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.

The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of the directors. Any action so approved shall have the same effect as taken at a meeting of the directors.

ARTICLE IV

NOMINATION AND ELECTION OF DIRECTORS

The initial Board shall be appointed by the Declarant and shall serve until successor directors are elected or until removed from the Board by the Declarant, in the case of Board members appointed by the Declarant.

Upon termination of the Class B membership, the existing Board or a majority of the members shall have the right to call for a general election for the Board (hereinafter referred to as the "First General Election"). The First General Election shall be held at a place and time to be determined by the then existing Board but in no event shall such election be held more than sixty (60) days after receipt by the Board of written notice signed by a majority of the members calling for such election.

Nominations for election to the Board shall be made by the existing Board members and may also be made from the floor at a meeting called for electing the Board members. The Board shall make as many nominations as it deems necessary but not less than the number of vacancies which are required to be filled.

Election to the Board shall be by secret, written ballot. The persons receiving the most votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

MEETINGS OF DIRECTORS

Meetings of the directors shall be held at such time, place and frequency as is determined by majority vote of the Board or as called by the President of the Association. A majority of the number of directors shall constitute a quorum for any matters required to be voted on by the Board. All matters to be decided by the Board shall be decided by a majority of a quorum of the Board at the meeting at which such matter is voted on.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD

The Board shall have the power and duties as prescribed by the provisions of the Declaration, the Articles and these Bylaws and such other powers and duties as are necessary to conduct the business of the Association.

ARTICLE VII

OFFICERS AND THEIR DUTIES

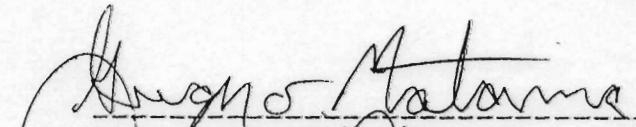
The officers of the Association shall be a president, vice president, treasurer, secretary and such other officers as the Board may from time to time designate. Officers shall be elected at such time and place as determined by a majority vote of a quorum of directors. Officers shall hold office until a successor officer is elected or until such officer resigns or is removed by a majority vote of a quorum of the Board.

ARTICLE VIII

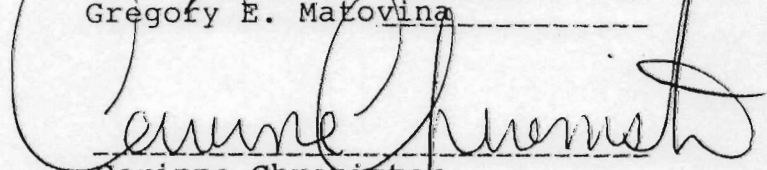
CONFLICT

In the event of any conflict between these Bylaws and the Articles, the Articles shall control and prevail and in the event of a conflict between these Bylaws and the Declaration, the Declaration shall control and prevail.

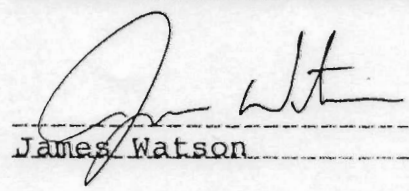
IN WITNESS WHEREOF, we, being all of the directors of the Association have hereunto set our hands this 17th day of October, 1994.



Gregory E. Matovina



Corinne Chronister



James Watson