

**ARTICLES OF INCORPORATION**

**OF**

**SEASPRAY CONDOMINIUM ASSOCIATION, INC.  
a North Carolina nonprofit corporation**

IN COMPLIANCE with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, BILL CLARK HOMES OF WILMINGTON, LLC, A North Carolina Limited Liability Company, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of the laws of the State of North Carolina.

**ARTICLE I - NAME**

The name of the corporation is SEASPRAY CONDOMINIUM ASSOCIATION, INC. hereinafter called the "Association".

**ARTICLE II - DURATION**

The Association's period of duration shall be concurrent with the period during which that certain Declaration of Condominium For Seaspray Villas at Carolina Place under the Provisions of Chapter 47C of the General Statutes of the State of North Carolina, and Annexation of Additional Property to the Declaration of Covenants, Conditions and Restrictions For the Seaspray at Carolina Place Community recorded in the Brunswick County Registry (hereinafter referred to as the "Declaration") shall affect or restrict the use of the properties described therein as more specifically set forth on Exhibit A of said Declaration or until the Association shall be sooner terminated pursuant to these Articles. All definitions set forth in Article I of the Declaration shall have the same meanings as set forth herein in these Articles of Incorporation.

**ARTICLE III - PRINCIPAL & REGISTERED OFFICE AND AGENT**

The address of the initial principal and registered office of the Association is 430 Eastwood Road, Suite 100, Wilmington, NC 28403. The name of the initial registered agent at that address is Edward H. Clark. The office is located in New Hanover County, North Carolina.

**ARTICLE IV - PURPOSE AND POWERS OF THE ASSOCIATION**

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the Common Area within that certain tract of property described on Exhibit "A" of Declaration, to which reference is made for a more complete description, and to promote the

health, safety and welfare of the Owners within the above described property and any additions thereto as may hereafter be made subject to the Declaration, and to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration and as the same may be amended from time to time as therein provided.

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration ; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

(d) Borrow money and after Class B Lots cease to exist, with the assent of Members' entitled to at least 80% of votes of the entire membership of the Association and at least two-thirds (2/3) of the votes appurtenant to each class of Lots, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such lender or mortgagee shall be subordinate to the property rights of the Members and the Association as set forth herein;

(e) Dedicate sell or transfer all or part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. After Class B Lots, as hereinafter defined, cease to exist, no such dedication or transfer shall be effective unless the Members entitled to at least 80% of the votes of the entire membership of the Association and at least three-fourths (3/4) of the votes appurtenant to each Class of Lots agree to such dedication, sale or transfer and signify their agreement by a signed document recorded in the applicable public registry for Brunswick County, North Carolina

(f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall be in accordance with the requirements of Article II of the Declaration of Covenants, Conditions, and Restrictions for The Seaspray at Carolina Place Community recorded in the Brunswick County Registry (as made applicable by Declaration of Condominium for Seaspray Villas at Carolina Place, under the Provisions of Chapter 47c of the General Statutes of the State of North Carolina, and Annexation of Additional Property to the Declaration of Covenants, Conditions and Restrictions recorded in Brunswick County Registry);

(g) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of North Carolina, G.S. 55-A3-01, et seq., by law may now or hereafter have or exercise.

The owners of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration.

#### ARTICLE V - NON-PROFIT ASSOCIATION

No part of the net earnings of the Association shall inure to the benefit of any officer, director or Member of the Association. All funds and property acquired by the Association and the proceeds therefrom shall be held only for the benefit of the Members of the Association in accordance with the provisions of the Declaration.

#### ARTICLE VI - MEMBERSHIP

Every person or entitle who is a record Owner of a Unit or undivided fee interest in any Unit which is subject by covenants of record to assessment by the Association, including sellers by installment contracts, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in any Unit merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association.

#### ARTICLE VII - VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners of Class A lots as defined in the Declaration to be recorded in the Brunswick County Registry, with the exception of the Declarant, and shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one vote or a fractional vote be cast with respect to any Unit.

Class B. Class B member(s) shall owners of Class B lots. Class B Lots shall be all Lots owned by Declarant or a Builder and which have not been converted to Class A Lots as set forth below. Declarant and each Builder shall each be entitled to nine (9) votes for each Class B Lot it owns. The Class B Lots shall cease to exist and shall be converted to Class A Lots upon the earlier of the following to occur:

- (a) When Declarant no longer owns any Lots or Units withing the Properties;
- (b) Upon written waiver of Class B membership by Declarant and/or Builder; or
- (c) On December 31, 2025.

When Class B Lots cease to exist and are converted to Class A Lots, Declarant and Builder shall have the same voting rights as Owners of Class A Lots.

## ARTICLE VIII - BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than five (5) and not more than nine (9) Directors, who need not be Members of the Association. The number of Directors may be changed by amendment of the By-Laws of the Association. The names and address of the persons who are to act in the capacity of the initial directors until the selection of their successors at the first meeting of the Association are:

| <u>DIRECTOR</u> | <u>ADDRESS</u>                            |
|-----------------|---|
| Cheryl Blanton  | 430 Eastwood Road<br>Wilmington, NC 28403 |
| Sonya Culler    | 430 Eastwood Road<br>Wilmington, NC 28403 |
| Edward H. Clark | 430 Eastwood Road<br>Wilmington, NC 28403 |

At the first annual meeting the Members shall elect a director for a term of one (1) year, a director for a terms of two (2) years and a director for a terms of three (3) years; and at each annual meeting thereafter the Members shall elect one director for a term of three years.

## ARTICLE IX - DISSOLUTION

This Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall first be offered to the public and thereafter if such offer is not accepted, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

## ARTICLE X - DURATION

The corporation shall exist perpetually.

## ARTICLE XI - AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of each class of membership entitled to vote thereon.

## ARTICLE XII - FHA/VA/FNMA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Authority, Veterans Administration or Federal National Mortgage Association: Annexation of additional properties; mergers and consolidations; deeding in trust the Common Areas; dedication of Common Area; and, dissolution and amendment of these Articles.

ARTICLE XIII - INCORPORATOR

The name and address of the incorporator of the Association is: Richard G. Singer, 4900 Falls of Neuse Road, Suite 160, Raleigh, Wake County, NC 27609.

IN WITNESS WHEREOF, I have set my hand and seal this the 30 day of June 2005 2005.


 (SEAL)  
Richard G. Singer

INCORPORATOR

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

THIS is to certify that on the 30 day of June, 2005, before me a Notary Public, personally appeared Richard G. Singer, who I know to be the person named in and who executed the foregoing Articles of Incorporation of SEASPRAY CONDOMINIUM ASSOCIATION, INC., a corporation not for profit, and I have first made known to him the contents thereof, he did acknowledge that he signed and delivered the same as his voluntary act and did for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal or stamp this the 30 day of June, 2005.

  
Notary Public

My Commission Expires: 06/18/07

ELIZABETH F. HART  
Notary Public  
Wake County, NC