

State of North Carolina
Department of the Secretary of State

ARTICLES OF INCORPORATION
NONPROFIT CORPORATION

Pursuant to §55A-2-02 of the General Statutes of North Carolina, the undersigned corporation does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation.

1. The name of the corporation is: **The East Beach Property Owners' Association, Inc.**
2. _____ (Check only if applicable.) The corporation is a charitable or religious corporation as defined in NCGS §55A-1-40(4).
3. The street address and county of the initial registered office of the corporation is:
Number and Street: **701 Green Valley Road**
City, State, Zip Code: **Greensboro, North Carolina 27408** County: **Guilford County**
4. The mailing address *if different from the street address* of the initial registered office is:
P.O. Box 3463
Greensboro, N.C. 27402
5. The name of the initial registered agent is:
Tonya Powell
6. The name and address of each incorporator is as follows:
William B. Watkins
Greenwood Mills, Inc.
P.O. Box 1546
Greenwood, S.C. 29648
7. (Check either a or b below.)
a. The corporation will have members.
b. The corporation will not have members.
8. Attached are provisions regarding the distribution of the corporation's assets upon its dissolution.

The East Beach Property Owners' Association, Inc. will be a mutual benefit corporation formed to own and manage the Common Areas within the development known as "East Beach," Oak Island, Brunswick County, North Carolina. Upon dissolution, all liabilities and obligations of the Association shall be paid and discharged with the remainder of the assets distributed to its members.

9. Any other provisions which the corporation elects to include are as follows:

a. **Capitalized Words.** The use of capitalized words herein shall have the meanings attributed to them in the Declaration of Covenants, Conditions, Restrictions and Easements for The East Beach Property Owners' Association, hereinafter the "Declaration," recorded or to be recorded in the Brunswick County Register of Deeds office, Brunswick County, North Carolina.

b. **Purpose.** This Association does not contemplate pecuniary gain or profit, and the specific, primary purposes for which it is formed are to provide for management, administration, maintenance and preservation of its Common Areas within a certain tract of property situate in Brunswick County, North Carolina, all according to the Declaration. No part of the net earnings of the Association shall inure to the benefit of any person, other than for acquiring, constructing, or providing management, maintenance, and care of Association property, and other than by a rebate of excess Association fees and assessments, if any.

c. **Right to Appoint Directors and Officers.** The Declarant under the Declaration shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following dates: (i) December 31, 2015; (ii) three (3) months after the conveyance by the Declarant, in the ordinary course of business, all of the eighteen (18) Units intended for development by the Declarant; (iii) or three (3) months following the date the Declarant surrenders its authority to appoint directors of the Association by an express amendment to the Declaration executed and filed in the Brunswick County Register of Deeds office, Brunswick County, North Carolina, by the Declarant.

d. **Membership.** Every Owner, including the Declarant, of a Unit will be a Member of the Association. Ownership of a Unit will be the sole qualification for such membership. In the event that fee title to a Unit is transferred or otherwise conveyed, the membership in the Association, which is appurtenant thereto, will automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. The foregoing is not intended to include mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest will not terminate or otherwise affect an Owner's membership in the Association

e. **Voting Rights.** Voting Rights. The Association will initially have two (2) types of voting memberships, which are as follows:

Class A Member. Class A Members will be Owners (including the Declarant) of Units. A Class A Member will be entitled to one (1) vote for each Unit owned.

Class B Member. The Class B Member will be the Declarant or its designated assign. The Class B Member will be entitled to three (3) votes for each vote held by Class A Members, plus one (1) vote during the Declarant Control Period. Thereafter, the Class B Member will exercise votes only as to its Class A Memberships

10. The street address and county of the principal office of the corporation is:

c/o Matt Nestor, 8903E. Oak Island Dr. Suite 2, Brunswick County, Oak Island, NC 28465

11. The mailing address *if different from the street address* of the principal office is:

12. These articles will be effective upon filing, unless a later time and/or date is specified:

This is the 21st day of July, 2005.

William B. Watkins
Signature of Incorporator

William B. Watkins
Type or print Incorporator's name and title, if any