

STATE OF NORTH CAROLINA



Department of The
Secretary of State

To all whom these presents shall come, Greetings:

I, Rufus L. Edmisten, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION
OF
OCEANA OWNERS ASSOCIATION, INC.

the original of which was filed in this office on the 24th day of February, 1994.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 24th day of February, 1994.



Rufus L. Edmisten

Secretary of State

C. 0339921

FILED

9:00 AM

FEB 24 1994

ARTICLES OF INCORPORATION

OF

OCEANA OWNERS ASSOCIATION, INC.

EFFECTIVE

RUFUS L. EDMISTEN
SECRETARY OF STATE
NORTH CAROLINA

94 056 9030

The undersigned, being a natural person of full age, does hereby make, execute, and acknowledged these Articles of Incorporation for the purpose of forming a nonprofit corporation pursuant to Chapter 55A of the General Statutes of North Carolina and hereby certifies:

**ARTICLE I
NAME**

The name of the corporation is Oceana Owners Association, Inc., hereinafter called the "Association."

**ARTICLE II
DURATION**

The period of duration of the Association shall be perpetual.

**ARTICLE III
NONPROFIT STATUS**

The Association does not contemplate pecuniary gain or profit to the members thereof. No part of the net income or net assets of the Association shall inure to the benefit of its officers, directors, or members, or to any other private individual. Upon dissolution of the Association, the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provision made therefor, be distributed to any corporation(s), organization(s), or association(s) organized for the purposes or engaged in activities substantially similar to those set forth herein, all as may be more particularly provided in the Bylaws of the Association.

ARTICLE IV PURPOSES

The purposes and objects of the Association for which it is formed relate to that certain single-family subdivision located in the Town of Carolina Beach, New Hanover County, North Carolina, known as Oceana, which subdivision is shown on a map of same recorded in the New Hanover County Registry, subject to future possible annexation as permitted by the Declaration of Covenants, Conditions and Restrictions of Oceana Marina, said purposes being more specifically described as follows:

A. To provide for the administration, operation, management, maintenance, and preservation of said subdivision and all of its common areas, streets, roads, walkways, sidewalks, easements, rights-of-way, appurtenances, and other amenities;

B. To undertake the performance of the acts and duties incident to the administration of the operation, management, and maintenance of said subdivision and all of its common areas, streets, roads, walkways, sidewalks, easements, rights-of-way, appurtenances, and other amenities; and

C. To promote the health, safety, and welfare of its members, all in accordance with these Articles of Incorporation, the Bylaws of the Corporation, and the Declaration of Covenants, Conditions and Restrictions of Oceana.

ARTICLE V POWERS

The Association shall have the following powers:

A. The Association shall have all the powers and privileges granted to nonprofit corporation under the law pursuant to which this Association is chartered, and all of the powers and privileges which may be granted unto said Association under any other applicable laws of the State of North Carolina.

B. The Association shall have all the powers and privileges reasonably necessary to implement and effectuate the purposes of the Association as set forth in the Declaration of Covenants, Conditions and Restrictions of Oceana applicable to said subdivision as recorded in the New Hanover County Registry, and as the same may be supplemented and/or amended from time to time as therein provided, including, but not limited to, the following:

1. To own and hold, with respect to said subdivision, all of its common areas, streets, roads, walkways, sidewalks, easements, rights-of-way, appurtenances, and other amenities, and all other interests in land and facilities which may be conveyed to or placed under the control of the Association, and to make the same available for the use, enjoyment, health, safety and welfare of the members of the Association;

2. To make, adopt and establish reasonable Rules and Regulations governing the use of the Association's property and facilities;

3. To fix, levy, and collect assessments against and from members of the Association to defray the common expenses of the Association as may be provided in these Articles of Incorporation, the Bylaws of this Association which may be

hereafter adopted, and the Declaration referred to hereinabove;

4. To fix, levy and collect penalties, fines, and other charges as provided by the Declaration, Bylaws, and such Rules and Regulations as may be adopted by the Association;

5. To maintain, repair, replace, operate and manage said common areas, streets, roads, walkways, sidewalks, easements, rights-of-way, appurtenances and other amenities, as well as any other property of the Association, including the right to reconstruct improvements after casualty and to make further improvements of the property, and to make and enter into any and all contracts necessary or desirable to accomplish said purposes;

6. To enforce the provisions of the Declaration, these Articles of Incorporation, the Bylaws of the Association which may be hereafter adopted, and the Rules and Regulations governing the use of the Association's property as the same may be hereafter established;

7. To exercise, undertake, and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association pursuant to the Declaration, these Articles of Incorporation, the Bylaws of the Association which may be hereafter adopted, and the Rules and Regulations governing the use of the Association's property as the same may be hereafter establish ; and

8. To contract for the management of the Association and to delegate to such managing agent or contractor all of the powers and duties of the Association except those which may be required by the Declaration to have approval of the Board of

Directors or membership of the Association.

**ARTICLE VI
MEMBERSHIP**

A. Qualifications. Every person, firm, corporation, or other entity that is a record owner of a fee or undivided interest in any lot in that single-family subdivision known as Oceana shall be a member of the Association. No other person, firm, corporation, or other entity shall be entitled to membership. The lot owners shall be and shall constitute the sole voting membership of the Association. Membership shall be established by the acquisition of fee title or a fee ownership interest in a lot, whether by conveyance, devise, judicial decree, or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in such lot.

B. Transfer. Membership in the Association may be transferred only as an incident to the transfer of the owner's lot. The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to his lot. The funds and assets of the Association shall belong solely to the Association subject to the limitation that the same be expended, held, or used for the benefit of the membership and for the purposes authorized herein, in the Declaration, and in the Bylaws which may be hereafter adopted.

C. Voting. On all matters on which the membership shall be entitled to vote, each lot shall have one (1) vote, except that

each lot owned by the Declarant which has not been conveyed to a purchaser not affiliated with Declarant shall have three (3) votes. The vote of each lot may be cast or exercised by the owner or owners of such lot in such manner as may be provided in the Bylaws hereafter adopted by the Association.

ARTICLE VII BOARD OF DIRECTORS

A. Number. The initial Board of Directors of the Association shall consist of three (3) members. The number of members of succeeding Boards of Directors shall be as provided from time to time by the Bylaws of the Association.

B. Initial Board of Directors. The names and addresses of the persons who shall serve on the initial Board of Directors and hold such office until the first annual meeting of the membership or until their successors are elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
1. J.B. Gerald	401 Virginia Avenue Carolina Beach, NC 28428
2. Lonnie B. Williams	14 South Fifth Street Wilmington, NC 28402
3. Lonnie B. Williams, Jr..	14 South Fifth Street Wilmington, NC 28402

C. Election. The members of the Board of Directors shall be elected by the members of the Association at the annual meeting of the membership as provided by the Bylaws of the Association.

D. Control by Declarant. Notwithstanding any of the foregoing, Oceana Limited Partnership, the Declarant, shall have the right to exercise the powers and duties of the Board of

Directors until Declarant no longer owns any lot or until Declarant surrenders authority by an express amendment to the Declaration, whichever first occurs.

ARTICLE VIII OFFICERS

A. Election. The Board of Directors shall elect a President, Vice President, Secretary, and Treasurer, and as many Assistant Secretaries and Assistant Treasurers as the Board of Directors shall determine. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the offices of President and Vice President shall not be held by the same person, nor shall the offices of President and Secretary or Assistant Secretary be held by the same person.

B. Management. The affairs of the Association shall be managed by the President of the Association, assisted by the Vice President, Secretary and Treasurer, and, if any, the Assistant Secretaries and Assistant Treasurers, subject to the directions of the Board of Directors. The Board of Directors, or the President with the approval of the Board of Directors, may employ a managing agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the affairs of the Association.

ARTICLE IX REGISTERED OFFICE AND AGENT

A. Registered Office. The initial registered office of the Association in the State of North Carolina shall be located at the

following address: 401 Virginia Avenue, New Hanover County,
Carolina Beach, North Carolina 28428.

B. Registered Agent. The name of the person appointed to
serve as the initial registered agent of the Association at the
above address is J.B. Gerald.

ARTICLE X BYLAWS

The original Bylaws of the Association shall be adopted by a
majority vote of the members of the Association present at a
meeting of members at which a majority of the membership is
present. Thereafter, such Bylaws may be altered or rescinded in
such manner as said Bylaws may provide.

ARTICLE XI AMENDMENT

Amendments to these Articles of Incorporation shall be made in
accordance with the provisions of Section 55A-35(a)(1) of the North
Carolina General Statutes, as the same may be amended or modified
from time to time. Any number of amendments may be submitted and
voted upon at any one meeting of the members. Provided, however,
that no amendment to these Articles of Incorporation may be adopted
or become effective which shall deprive Oceana Limited Partnership
as Declarant or its successors and/or assigns of any rights granted
or reserved unto it in said Declaration or these Articles of
Incorporation.

**ARTICLE XII
INDEMNIFICATION**

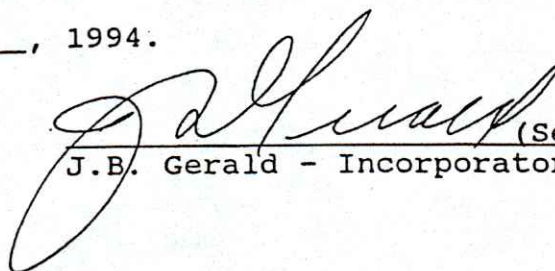
Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

**ARTICLE XIII
INCORPORATOR**

The name and address of the incorporator of this Association are J.B. Gerald, P.O. Box 4218, Wilmington, NC 28406.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of North Carolina, the undersigned incorporator has hereunto set his hand and seal, this

the 23 day of February, 1994.

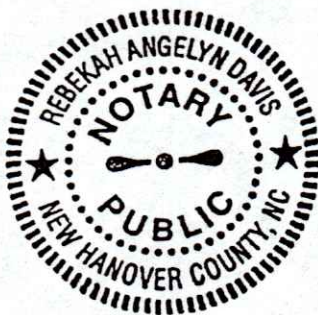
 (Seal)
J.B. Gerald - Incorporator

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Rebekah Angelyn Davis, a Notary Public in and for the State and County aforesaid, do certify that J.B. Gerald, personally appeared before me this day and acknowledged the due execution of the foregoing Articles of Incorporation.

WITNESS, my hand and notarial seal this 23 day of February, 1994.



Rebekah Angelyn Davis
Notary Public
My Commission Expires:
10-14-96