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# NORTH CAROLINA

## Department of The Secretary of State

To all whom these presents shall come, Greetings:

I, ELAINE F. MARSHALL, 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

### WATERS EDGE HOA, INC

the original of which was filed in this office on the 22nd day of April, 2004.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 22nd day of April, 2004

*Elaine F. Marshall*

Secretary of State

<p>SOSID: 722349  Date Filed: 4/22/2004 3:28:00 PM  Elaine F. Marshall  North Carolina Secretary of State  C200411300357</p>
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**ARTICLES OF INCORPORATION  
OF  
WATERS EDGE HOA, INC.  
A NON-PROFIT CORPORATION**

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned resident of New Hanover County, North Carolina, who is of full age, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a corporation not for profit and does hereby certify:

**ARTICLE I.**

**Corporate Name.** The name of the Corporation is WATERS EDGE HOA, INC., hereinafter called the Corporation or the Association.

**ARTICLE II.**

**Duration.** The period of duration of the Corporation shall be perpetual.

**ARTICLE III.**

**Registered Office and Agent.** The principal and initial registered office of the Corporation is located at 1904 Eastwood Road, Suite 212, New Hanover County, Wilmington, North Carolina 28403; and the name of the initial registered agent of the Corporation at such address is Terry F. Turner.

**ARTICLE IV.**

**Corporate Purposes.** This Corporation does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for the maintenance, management, preservation and architectural control of that certain Planned Community known as Waters Edge shown and described on the plat(s) thereof recorded or to be recorded in the Office of the Register of Deeds of Pender County, North Carolina, and any additions thereto which may be brought within the jurisdiction of the Corporation; and to promote the health, safety and welfare of the Lot Owners, and for these purposes the Corporation and the Executive Board shall have the following powers:

(A) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation set forth in that certain Declaration of Covenants, Conditions and Restrictions for Waters Edge (the "Declaration"), which is recorded or will be recorded in the Office of the Register of Deeds of Pender County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length (all capitalized terms herein shall have the meaning defined in the Declaration);

- (B) Adopt and amend bylaws and rules and regulations;
- (C) Adopt and amend budgets for revenues, expenditures, and reserves and collect Assessments for Common Expenses from Lot Owners;
- (D) Hire and discharge managing agents and other employees, agents, and independent contractors;
- (E) Institute, defend, or intervene in litigation or administrative proceedings on matters affecting the Planned Community;
- (F) Make contracts and incur liabilities;
- (G) Regulate the use, maintenance, repair, replacement, and modification of Common Elements;
- (H) Cause additional improvements to be made as a part of the Common Elements;
- (I) Acquire, hold, encumber, and convey in its own name any right, title or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to the Act;
- (J) Grant easements, leases, licenses, and concessions through or over the Common Elements;
- (K) Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements other than any Limited Common Elements and for services provided to Lot Owners;
- (L) Impose reasonable charges for late payment of Assessments and, after notice and an opportunity to be heard, suspend privileges or services provided by the Association (except rights of access to Lots) during any period that Assessments or other amounts due and owing to the Association remain unpaid for a period of 30 days or longer;
- (M) After notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the Association (except rights of access to Lots) for reasonable periods for violations of the Declaration, bylaws, and rules and regulations of the Association;

(N) Impose reasonable charges in connection with the preparation and recordation of documents, including, without limitation, amendments to the Declaration or statements of unpaid Assessments;

(O) Provide for the indemnification of and maintain liability insurance for its officers, Executive Board, directors, employees, and agents;

(P) Assign its right to future income, including the right to receive Assessments;

(Q) Exercise all other powers that may be exercised in this State by legal entities of the same type as the Association; and

(R) Exercise any other powers necessary and proper for the governance and operation of the Association.

#### ARTICLE V.

**Membership.** Every Person who is a record Owner of a fee or undivided fee interest in any Lot, including contract sellers, shall be a member of the Corporation. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

#### ARTICLE VI.

**Voting Rights.** The Corporation shall have two classes of voting memberships:

**Class A.** Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting with respect to any Lot is prohibited. There shall be a subclass of membership within Class A Membership known as "Class A Membership-Boating". The subclass shall consist of those Class A Members who hold a Boat Slip Certificate.

**Class B.** The Declarant shall be a Class B Member and shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership on the happening of any of the following events, whichever occurs earlier:

(a) when the total vote outstanding in the Class A Membership equals the total vote outstanding in the Class B Membership; or

(b) on December 31, 2007; or

(c) upon the voluntary surrender of all Class B Membership by the holder thereof.

**ARTICLE VII.**

**Initial Board of Directors.** There shall be two (2) Directors on the initial Board of Directors (the "Executive Board") whose names and addresses are as follows and who shall serve until their successors are selected and qualified:

Terry F. Turner                      1904 Eastwood Road, Suite 212  
New Hanover County  
Wilmington, NC 28403

A. V. Saffo                              3901 Oleander Drive  
New Hanover County  
Wilmington, NC 28403

**ARTICLE VIII.**

**Incorporator.** The name and address of the incorporator of this Corporation is:

Terry F. Turner  
1904 Eastwood Road, Suite 212  
New Hanover County  
Wilmington, NC 28403

**ARTICLE IX.**

**Dissolution of the Association.** In the event of dissolution of the Association, the residual assets of the Association will be dedicated to a public body or conveyed to one or more organizations with purposes similar to those of the Association which are exempt as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986.

ARTICLE X.

**Amendment.** These Articles of Incorporation may be amended only upon the vote of not less than sixty-seven percent (67%) of the members of each class.

ARTICLE XI.

**HUD/VA Approval.** If HUD or VA has approved the making, insuring or guaranteeing of loans within the Planned Community, then annexation of Additional Property, mergers and consolidations, mortgaging of Common Elements, dissolution of the Association and amendment of these Articles or the Corporation's Bylaws requires the prior approval of HUD/VA so long as there is a Class B member.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of North Carolina, I, the undersigned, being the incorporator of this Corporation, have executed these Articles of Incorporation this the 21 day of April, 2004.

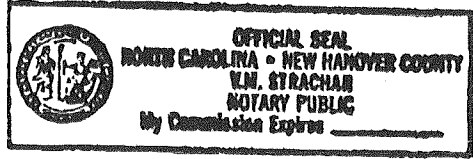
Terry F. Turner  
TERRY F. TURNER  
INCORPORATOR

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

This is to certify that on this 21 day of April, 2004, before me, V.M. Strachan a Notary Public, personally appeared Terry F. Turner who, I am satisfied is the person named in and who executed the foregoing Articles of Incorporation, and I having first made known to him the contents thereof, he did acknowledge that he signed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed. IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal, this the 21 day of April, 2004.

My commission expires: 2-26-2004  
(SEAL)

V.M. Strachan  
Notary Public



**FAX TRANSMISSION**

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10/21/2005

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**NO. OF PAGES** : 7  
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