

ARTICLES OF INCORPORATION
OF
HERITAGE SHORES 2 SOUTH BOATAMINIUM OWNERS' AS

The undersigned, being of the age of eighteen years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of Chapter 55A of the General Statutes of North Carolina and the laws of the State of North Carolina.

ARTICLE I
NAME

The name of the corporation is HERITAGE SHORES 2 SOUTH BOATAMINIUM OWNERS' ASSOCIATION, INC.

ARTICLE II
DURATION

The period of duration of the corporation is perpetual.

ARTICLE III
PURPOSES AND POWERS

The purposes and powers for which the corporation is organized are as follows:

(1) To operate and manage a boataminium known as HERITAGE SHORES 2 SOUTH BOATAMINIUM located in Perquimans County, North Carolina.

(2) To undertake the performance of, and carry out the acts and duties incident to the administration of the operation and management of HERITAGE SHORES 2 SOUTH BOATAMINIUM and HERITAGE SHORES SOUTH 2 BOATIMINIUM OWNERS' ASSOCIATION, INC. in accordance with the terms, provisions, conditions and authorization contained in both these Articles and in the Declaration of Condominium establishing HERITAGE SHORES 2 SOUTH BOATAMINIUM of record in Book 208, Page 245 of the Perquimans County, North Carolina Registry;

(3) To make, establish and enforce reasonable rules and regulations governing the use of the boataminium, common elements, land, and other real and personal property which may be owned by the Association itself;

(4) To make, levy and collect assessments against unit owners; to provide the funds to pay for common expenses of the Association as provided in the Declaration of Condominium, to use and expend the proceeds of assessments in the exercise of the powers and duties of the

Association; to use said assessments to promote the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the common areas, including but not limited to the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management, supervision thereof, the maintenance of insurance in accordance with the Bylaws, including the employment of attorneys to represent the Association when necessary for such other needs as may arise;

(5) To maintain, repair, replace and operate the properties for which the Association is responsible;

(6) To enforce by any legal means, the provisions of the Declaration of Condominiums, the Bylaws of the Association, and the rules and regulations for the use of the Association property;

(7) To contract for the management of the property and to delegate to such manager or managers all powers and duties of the Association except those powers and duties which are specifically required to have approval of the Board of Directors or the membership of the Association;

(8) To have all of the common law and statutory powers of a non-profit corporation and also those powers as set out in the Declaration of Condominiums and all powers reasonably necessary to implement the purposes of the Association.

ARTICLE IV MEMBERSHIP

A. The membership of HERITAGE SHORES 2 SOUTH BOATAMINIUM OWNERS' ASSOCIATION, INC. shall consist of the owners of units in HERITAGE SHORES 2 SOUTH BOATAMINIUM and the Developer. Membership shall be established by acquisition of fee title to a unit in HERITAGE SHORES 2 SOUTH BOATAMINIUM whether by conveyance, devise, descent, or judicial decree. A new owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior owner as to a unit designated shall be terminated. Each new owner shall deliver to the Association a true copy of such deed or instrument of acquisition of title.

B. Neither one's membership in the Corporation nor a member's share in the funds and assets of the Corporation may be assigned, hypothecated or transferred in any manner except as an appurtenance to HERITAGE SHORES 2 SOUTH BOATAMINIUM.

C. As stated herein, the term "Developer" shall mean CAROLINA COAST AND LAKES, INC., its heirs, successors or assigns.

ARTICLE V
DIRECTORS

A. The number of Directors and the method of election of the Directors shall be fixed by the Bylaws; however, the number of Directors shall not be less than three. Directors shall be elected at large from the membership.

B. The first election by the members of the Association for Directors shall not be held until after the Developer has relinquished control of the Association as set out in the Declaration of Boataminium. Thereafter, the election of Directors shall take place at the annual meeting of the membership as provided in the Bylaws. After the Declarant has relinquished control, there shall be a special meeting of the membership for the purpose of electing a Board of Directors to serve until the next annual meeting and until new Directors are elected and qualified.

ARTICLE VI
INITIAL BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors shall be three and the names and address of the persons who are to serve as the first Board of Directors are as follows:

	NAME	ADDRESS
1.	William Pearson	537 Deep Creek Rd. Hertford, NC 27944
2.	Steve Atkins	537 Deep Creek Rd. Hertford, NC 27944
3.	Rennie Atkins	537 Deep Creek Rd. Hertford, NC 27944

ARTICLE VII
TAX STATUS

The Corporation shall have all the powers granted non-profit corporations under the laws of the State of North Carolina. Notwithstanding any other provision of these Articles, this Corporation hereby elects tax-exempt status under Section 528 of the Internal Revenue Code of 1986. This Corporation shall not carry on any activities prohibited by a Corporation electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law. It is further provided that no distributions of income of the Corporation are to be made to members, directors or officers of the corporation, provided, however, that members of the Corporation may receive a rebate of any excess dues and assessments previously paid. No part of the net earnings of the organization shall inure to the benefit of its members, directors, officers, or other persons except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make

payments and distributions in furtherance of the exempt purposes of the organization. In the event of dissolution, the residual assets of the organization will be turned over to one or more organizations with similar purposes or to one or more organizations which are exempt as organizations described in Section 501 (c)(3) of the Internal Revenue Code of 1986.

ARTICLE VIII
REGISTERED OFFICE AND AGENT / PRINCIPAL OFFICE

The principle and registered office for the corporation shall be located at 537 Deep Creek Road, Hertford, Perquimans County, North Carolina 27944; and the registered agent at this address is WILLIAM PEARSON.

ARTICLE IX
INCORPORATOR

The name and address of the incorporator is Conrad E. Paysour, III, 315 West Second Street, P.O. Box 686, Pitt County, Greenville, NC 27835

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal this 5 day of February, 2001.

Conrad E. Paysour, III (SEAL)
Conrad E. Paysour, III INCORPORATOR

NORTH CAROLINA
PITT COUNTY

I, the undersigned Notary Public, do hereby certify that Conrad E. Paysour, III personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 5th day of February, 2001.

Bridget M. Harmon
Notary Public

My commission expires: 7/23/2005