

RECORDED  
DATE 10/31/1978 TIME 14:28  
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SECRETARY OF STATE  
NORTH CAROLINA  
INCORPORATION  
OF  
ISLAND QUAY OWNERS ASSOCIATION, INC.

In accordance with Chapter 55A, North Carolina General Statutes, the undersigned, being of full age, does hereby form a corporation not for profit and does certify:

ARTICLE I

The name of the corporation is Island Quay Owners Association, Inc. (hereinafter "Association").

ARTICLE II

The period of duration of the corporation shall be perpetual.

ARTICLE III

The specific purposes for which the Association is formed are to provide for the maintenance and preservation of the residential lots and Common Area within that certain tract of real property known as Island Quay Subdivision, as shown in Map Book 26, at Page 93, Carteret County Registry, and any future additions thereto, and to promote the health, safety and welfare of residents and property owners within said property, and for said purposes 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 of Restrictive Covenants, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of Carteret 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;

(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 the 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 with the assent of sixty-six percent (66%) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any 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. No such dedication or transfer shall be effective unless an instrument has been signed by sixty-six percent (66%) of each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, including becoming a member of a master Association in order to provide sewage treatment to the subdivision or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of sixty-six percent (66%) of each class of members;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

#### ARTICLE IV

##### MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to an may not be separated from leasehold interest of any lot which is subject to assessment by the Association.

#### ARTICLE V

##### VOTING RIGHTS

There shall be one class of voting membership.

#### ARTICLE VI

##### BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors of at least three (3) who shall be members of the

association. The number of directors may be changed by the bylaws of the Association. The names and addresses of the three initial Directors are:

J. Tracy Bowling  
Atlantic Beach Causeway  
P.O. Box 1156  
Atlantic Beach, Carteret County, NC 28512

Kay M. Bowling  
Atlantic Beach Causeway  
P.O. Box 1156  
Atlantic Beach, Carteret County, NC 28512

Troy D. Henry  
Atlantic Beach Causeway  
P.O. Box 1156  
Atlantic Beach, Carteret County, NC 28512

#### ARTICLE VII

##### DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than sixty-six percent (66%) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, 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 non profit corporation, association, trust or other organization to be devoted to such similar purposes.

#### ARTICLE VIII

##### REGISTERED OFFICE

The initial registered agent and his address at the initial registered office in Carteret County as follows:

J. Tracy Bowling  
Atlantic Beach Causeway  
P.O. Box 1156  
Atlantic Beach, Carteret County, NC 28512

#### ARTICLE IX

##### AMENDMENT

Amendment of these Articles of Incorporation shall require the assent of sixty-six percent (66%) of the entire membership.


ARTICLE X

INCORPORATOR

The name and address of the incorporator is:

John M. Harris  
1210 Arendell Street  
P.O. Drawer 3650  
Morehead City, Carteret County, NC 28557

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal, this 27 day of OCTOBER, 1988.

  
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JOHN M. HARRIS (SEAL)

STATE OF NORTH CAROLINA  
COUNTY OF CARTERET

I, a Notary Public of the County and State aforesaid, do hereby certify that John M. Harris personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 27<sup>th</sup> day of OCTOBER, 1988.

  
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NOTARY PUBLIC

My Commission Expires:

April 14, 1992