

ARTICLES OF INCORPORATION  
OF  
GUM BRANCH SQUARE II OWNERS' ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

ARTICLE I

The name of the corporation is Gum Branch Square II Owners' Association, Inc., hereinafter referred to as the "Association".

ARTICLE II

Frank W. Erwin, whose address is 825 Gum Branch Road, Suite 115, Jacksonville, Onslow County, N.C. 28540, is hereby appointed the initial Registered Agent of this Association.

ARTICLE III

The principal and registered office of the Association is located at 825 Gum Branch Road, Suite 115, Jacksonville, Onslow County, North Carolina, 28540.

ARTICLE IV

This Association does not contemplate pecuniary gain or profit to the members thereof and no part of the Association's net income shall inure to the benefit of any of its officers, directors or members or any other private individual. The purposes and objects of the corporation shall be to administer the operation and management of certain real property and any improvements thereon, situate, lying and being in Onslow County, North Carolina and more particularly described in Exhibit A, attached hereto and incorporated herein by reference as if fully set forth; to undertake the performance of the acts and duties incident to the administration of the operation and management of said real property and any improvements thereon in accordance with the terms provisions, conditions and authorizations contained in these Articles of Incorporation; and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of the operation and management thereof.

ARTICLE V

The Corporation shall have the following powers:

1. The Corporation shall have all of the powers and privileges granted to a Non-Profit Corporation under the law pursuant to which this Corporation is chartered, and all of the powers and privileges which may be granted unto said Corporation under any applicable laws of the State of North Carolina.
2. The Corporation shall have all of the powers reasonably necessary to implement and effectuate the purposes of the Corporation, including but not limited to the following:
  - (a) To make and establish reasonable rules and regulations governing the use of the property and improvements set forth in Exhibit A.
  - (b) To levy and collect assessments against members of the Corporation to defray the common expenses of the administration contemplated herein as may be provided in the By-Laws of this Corporation which may be hereafter adopted, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, which may be necessary or convenient in the operation and management of the said real property and improvements thereon.
  - (c) To maintain, repair, replace, operate and manage the real property and improvements thereon, including the right to construct or reconstruct improvements after casualty and to make further improvement of the real property and improvements, and to make and enter into any and all contracts necessary or desirable to accomplish said purposes.
  - (d) To contract for the management of the real property and improvements thereon and to delegate to such contractor all of the powers and duties of the Association except those which may be required to have approval of the Board of Directors or membership of the Corporation.
  - (e) To acquire and enter into, now or at any time hereafter, leases and agreements whereby the Association acquires leaseholds, memberships, and other possessory or use interests in lands or facilities including, but not limited to, swimming pools, tennis courts, and other recreational facilities whether or not contiguous to the lands of the Association to provide enjoyment, recreation or other use benefit to the members of this corporation.
  - (f) To enforce the provisions of these Articles of Incorporation and the By-Laws, rules and regulations governing use of the property of the Association which may be hereafter established.
  - (g) To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Corporation.

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## ARTICLE VI

The qualification of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

1. The Owners of all Condominium Units in the Condominium shall be members of the Corporation, and no other person or entities shall be entitled to membership, except as provided in item (5) of this Article VI.
2. Membership shall be established by the acquisition of fee title to a Condominium Unit in the Condominium, or by acquisition of a fee ownership interest therein, 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 any Condominium Unit, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more Condominium Units, or who may own a fee ownership interest in two or more Condominium Units, so long as such party shall retain title to or a fee ownership interest in any Condominium Unit.
3. The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Condominium Unit. The funds and assets of the Corporation shall belong solely to the Corporation subject to the limitation that the same may be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration of Condominium and in the By-Laws which may be hereafter adopted.
4. On all matters on which the membership shall be entitled to vote, each Condominium Unit shall have a vote equal to its appurtenant undivided interest in the Common Area as set forth in the Declaration of Condominium. The vote of each Unit may be cast or exercised by the Owner or Owners of each Condominium Unit in such manner as may be provided in the By-Laws hereafter adopted by the Corporation. Should any member own more than one Condominium Unit, such member shall be entitled to exercise or cast the votes associated with each Condominium Unit owned in the manner provided by said By-Laws.
5. Until such time as the property described in Exhibit "A" to the Declaration of Condominium and the improvements which may be hereafter constructed thereon, are submitted to a Plan of Condominium Ownership by the recordation of the Declaration of Condominium, the membership of the Corporation shall be comprised of the three individuals named in Article XI hereof as the initial Board of Directors of the Corporation, and each such individual shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

## ARTICLE VII

The Corporation shall have perpetual existence.

## ARTICLE VIII

The affairs of the Corporation shall be managed by the President of the Corporation, 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 Condominium, and the affairs of the Corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Corporation or a Director or Officer of the Corporation, as the case may be.

## ARTICLE IX

The number of members of the first Board of Directors of the Corporation shall be three. The number of members of succeeding Board of Directors shall be as provided from time to time by the By-Laws of the Corporation. The members of the Board of Directors shall be elected by the members of the Corporation at the Annual Meeting of the membership as provided by the By-Laws of the Corporation, and at least a majority of the Board of Directors shall be members of the Corporation or shall be authorized representatives, officers or employees of a corporate member of the Corporation. Notwithstanding, the foregoing, so long as Seashore Insurance and Realty Agency, Ltd. d/b/a Seashore Investments is the owner of at least twenty-five (25%) percent or more of the aggregate undivided interests in the Common Area, but in any event no longer than two (2) years after recording of the Declaration, the said shall have the right to select and designate a majority of the Directors of the Corporation. Seashore Insurance and Realty d/b/a Seashore Investments may designate and select the person or persons to serve as a member or members of each said Board of Directors in the manner provided in the Declaration of Condominium and in the By-Laws of the Corporation, and such person or persons so designated and selected need not be an Owner of the Condominium.

## ARTICLE X

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 President shall be elected from among the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of the President and Vice-President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

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#### ARTICLE XI

The name and post office addresses of the initial Board of Directors who, subject to the provisions of these Articles of Incorporation, the By-Laws and the laws of the State of North Carolina, shall hold office until the first Annual Meeting of the Membership (or until their successors are elected and qualified) are as follows:

Frank W. Erwin  
825 Gum Branch Road  
Suite 115  
Jacksonville  
Onslow County  
North Carolina, 28540

William D. Mills  
824 Gum Branch Road  
Suite O  
Jacksonville  
Onslow County  
North Carolina, 28540

Robert D. Mills  
824 Gum Branch Road  
Suite O  
Jacksonville  
Onslow County  
North Carolina, 28540

#### ARTICLE XII

The original By-Laws if the Corporation shall be adopted by a majority vote of the members of the Corporation present at a meeting of members at which a majority of the membership is present, and thereafter, such By-Laws may be altered or rescinded only in such manner as said By-Laws may provide.

#### ARTICLE XIII

Every Director and every officer of the Corporation shall be indemnified by the Corporation 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 of the Corporation at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful 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 of 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 Corporation. 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 XIV

An amendment or amendments to these Articles of Incorporation shall require the assent of seventy-five (75%) of the membership.

No amendment to these Articles of Incorporation shall abridge, amend or alter the right of Seashore Insurance & Realty Agency, Ltd. d/b/a Seashore Investments to designate and select members of each Board of Directors of the Corporation, as provided in Article IX hereof, may be adopted or become effective without the prior written consent of Seashore Insurance & Realty Agency, Ltd., d/b/a Seashore Investments.

#### ARTICLE XV

The name and address of the incorporator is as follows:

Frank W. Erwin, 825 Gum Branch Road, Suite 115, Jacksonville, Onslow County, N.C. 28540

IN WITNESS WHEREOF, I, the undersigned incorporator have hereunto set my hand and seal, this the 10th day of May, 1985.

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Gum Branch Square II, Phase I and Phase II  
Jacksonville Township, Onslow County, North Carolina

BEGINNING at a point located in the centerline of NCSR 1308 (commonly known as Gum Branch Road - 80 foot right-of-way) where the projected centerline of Nottingham Road intersects; thence along the centerline of NCSR 1308 as measured in a general Southeastern direction, approximately 934.83 feet to a new P.K. Nail; thence leaving said centerline, South 75 degrees 44 minutes 38 seconds West 40.00 feet to an existing iron pipe located on the Southwestern right-of-way of NCSR 1308; thence leaving said right-of-way and running along Dotey's Branch, North 83 degrees 48 minutes 20 seconds West 56.61 feet to an existing iron pipe; thence South 71 degrees 32 minutes 35 seconds West 97.21 feet to an iron stake, the TRUE POINT OF BEGINNING; thence from the TRUE POINT OF BEGINNING and with said Dotey's Branch, (the run of said branch being the actual property line), South 71 degrees 32 minutes 35 seconds West 119.12 feet to an existing iron pipe; thence South 86 degrees 38 minutes 55 seconds West 100.15 feet to an existing iron pipe; thence leaving said Dotey's Branch and with the Northeasternmost line of Oak Grove as recorded in Map Book 6, page 60 of the Onslow County Registry, North 25 degrees 45 minutes 35 seconds West 579.76 feet to an iron stake; thence North 26 degrees 08 minutes 45 seconds West 60.03 feet to an existing concrete monument in the centerline of Carolina Power and Light Company 100 foot right-of-way; thence leaving said Oak Grove line and along said centerline, South 82 degrees 07 minutes 40 seconds East 215.17 feet to an existing concrete monument; thence leaving said centerline, North 07 degrees 57 minutes 45 seconds East 49.95 feet to an existing iron pipe; thence South 82 degrees 13 minutes 45 seconds East 137.34 feet to an iron stake; thence South 14 degrees 12 minutes 20 seconds East 296.09 feet to an iron stake; thence North 75 degrees 47 minutes 40 seconds East 150.00 feet to an iron stake on the aforementioned Gum Branch Road right-of-way; thence with said right-of-way, South 14 degrees 12 minutes 20 seconds East 60.00 feet to an iron stake; thence leaving said right-of-way, South 75 degrees 47 minutes 40 seconds West 150.00 feet to an iron stake; thence South 14 degrees 12 minutes 20 seconds East 194.60 feet to the TRUE POINT OF BEGINNING. Containing 3.93 acres. The above description being prepared by James E. Stewart and Associates, Inc. on May 9, 1985 from a survey dated February 1985 and from a map entitled "Survey Map, Property of W.D. Mills" prepared by Brandon Lanier and Associates dated February 13, 1984. All courses are correct in their angular relationship to Magnetic North 1984 per Map Book 22, Page 224.

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