

State of
North
Carolina



Department
of the
Secretary of State

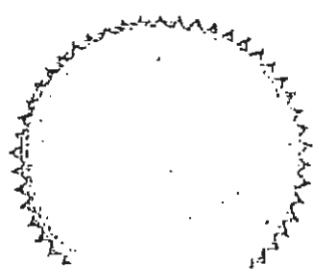
To all to whom these presents shall come, Greeting:
I, Thad Eure, Secretary of State of the State of
North Carolina, do hereby certify the following and
hereto attached (7 sheets) to be a true copy of

ARTICLES OF INCORPORATION
OF
KINGSBRIDGE ON QUEENS CREEK OWNERS' ASSOCIATION, INC.

and the probates thereon, the original of which was
filed in this office on the 19th day of June 1985,
after having been found to conform to law.

In Witness Whereof, I have hereunto set my hand
and affixed my official seal.

Done in Office, at Raleigh, this 19th day
of June in the year of our Lord 1985.



Thad Eure
Secretary of State
[Signature]
Deputy Secretary of State

ARTICLES OF INCORPORATION
OF
KINGSBRIDGE ON QUEENS CREEK OWNERS' ASSOCIATION, INC.,
A NONPROFIT CORPORATION

DOCUMENT #360321

DATE 05/19/85 TIME 13:35

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes entitled "Nonprofit Corporation Act," and the several amendments thereto, the undersigned, 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:

FILED
AND EURE
SECRETARY OF STATE
NORTH CAROLINA

ARTICLE I.

The name of the corporation is Kingsbridge on Queens Creek Owners' Association, Inc., (hereinafter called "the Corporation" or "Association").

ARTICLE II.

The registered office of the Corporation is located at Rt. 3 Box 879 G. Emerald Isle, Morehead City, Carteret County, North Carolina 28557.

ARTICLE III.

John M. Sandlin, whose address is Rt. 3 Box 879 G. Emerald Isle, Morehead City, Carteret County, North Carolina 28557, is hereby appointed the initial Registered Agent of the Corporation.

ARTICLE IV.

The Corporation does not contemplate pecuniary gain or profit to the members thereof and no part of the Corporation'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 properties and common areas conveyed, transferred or leased to said Corporation within Kingsbridge on Queens Creek Subdivision, a subdivision being developed in Swansboro Township, Onslow County, North Carolina by Queens Creek Associates, said real property being developed by phases and sections into Kingsbridge on Queens Creek Subdivision, with Phase 1, Section 1 of Kingsbridge on Queens Creek Subdivision being more particularly shown and described on a plat which will be recorded in the public records of Onslow County, North Carolina; to undertake the performance of the acts, duties, rights and responsibilities incident to the

administration of the operation and management of the common areas and property of Kingsbridge on Queens Creek Subdivision as may be more particularly assigned and described in the terms, provisions, conditions and authorizations contained in the Subdivision Covenants and Restrictions for Kingsbridge on Queens Creek, and each subsequent amendment thereto, as additional phases and sections of Kingsbridge on Queens Creek may be recorded in the Onslow County Registry; 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 and management of association properties located within said subdivision.

ARTICLE V.

The Corporation shall have the following powers:

1. The Corporation shall have all of the powers and privileges granted to Non-Profit Corporations 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 other applicable laws of the State of North Carolina.

2. The Corporation shall have all 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 Association properties and common areas within the subdivision as said terms may be defined herein and in the Subdivision Covenants and Restrictions for Kingsbridge on Queens Creek Subdivision.

(b) To levy and collect assessments against members of the Corporation to defray the common expenses of the Association as may be provided in the Subdivision Protective Covenants and Restriction and in the By-laws of this Corporation which may be hereafter adopted, including the right to levy and collect assessments for the purpose of acquiring, operating, leasing, managing and otherwise trading and dealing with Association properties, whether real or personal, which may be necessary or convenient in the operation and management of the Association Properties and Common Areas within Kingsbridge on Queens Creek Subdivision, and for the purpose of accomplishing the purposes set forth in the Subdivision Covenants and Restrictions for

Kingsbridge on Queens Creek Subdivision.

(c) To maintain, repair, replace, operate and manage Association Properties, real or personal, including the right to reconstruct improvements after casualty and to make further improvements to Association Properties within Kingsbridge on Queens Creek Subdivision and to make and enter into any and all contracts necessary or desirable to accomplish said purpose.

(d) To contract for the management of the Association and to delegate to such management firm all of the powers and duties of the Association, except those which may be required by these Articles of Incorporation, By-laws hereafter adopted, or the Subdivision Protective Covenants and Restrictions, 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 land or facilities including, but not limited to, swimming pools, tennis courts, and other recreation facilities, whether or not contiguous to the lands of Kingsbridge on Queens Creek Subdivision, to provide enjoyment, recreation or other use or benefit to the owners of lots within said subdivision.

(f) To enforce the provisions of the Subdivision Protective Covenants and Restrictions for Kingsbridge on Queens Creek Subdivision, these Articles of Incorporation, the By-laws of the Corporation which may be hereafter adopted, and the rules and regulations governing the use of Association Properties as the same may be hereafter established from time to time.

(g) To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Corporation pursuant to the Subdivision Protective Covenants and Restrictions for Kingsbridge on Queens Creek Subdivision.

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 subdivision lots in Kingsbridge on Queens Creek 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 subdivision lot in Kingsbridge on Queens Creek Subdivision 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 subdivision lot, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more subdivision lots or who may own a fee ownership interest in two or more subdivision lots so long as such party shall retain title to or a fee ownership interest in any subdivision lot.

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 subdivision lot. The funds and assets of the Corporation shall belong solely to the Corporation 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 Subdivision Protective Covenants and Restrictions for Kingsbridge on Queens Creek Subdivision and in the Bylaws which may be hereafter adopted.

4. On all matters which the membership shall be entitled to vote, each member of a subdivision lot shall have one vote for each Subdivision Lot within Kingsbridge on Queens Creek Subdivision. "Lot" herein shall have that definition set forth in the Subdivision Protective Covenants and Restrictions for Kingsbridge on Queens Creek Subdivision as the same may be hereafter recorded in the Onslow County Registry. As each subdivision lot is sold and conveyed to a purchaser, a roster or other written documentation shall be maintained containing the names and addresses of all purchasers of subdivision lots within the subdivision. The vote of each lot may be cast or exercised by the Owner or Owners of each subdivision lot in such manner as may be provided in the Bylaws hereafter adopted by the Corporation. Should any member own more than one subdivision lot, such member shall be entitled to exercise or cast the votes associated with each subdivision lot owned in the manner provided by said Bylaws.

5. Until such time as the first plat for Phase 1, Section 1, of Kingsbridge on Queens Creek Subdivision has been recorded in the Onslow County Registry, and Subdivision Protective Covenants and Restrictions for Phase 1, Section 1 of Kingsbridge on Queens Creek Subdivision have been recorded in the Onslow County Registry, then the membership of the Corporation shall be comprised of 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.

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, subject to the directions of the Board of Directors. The Board of Directors, may employ a management firm and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the Association, and the affairs of the Corporation, and any 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 (3). The number of members of the succeeding Board of Directors shall be as provided from time to time by the Bylaws of the Corporation but shall not be less than three (3). 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 Bylaws 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 Queens Creek Associates, Rt. 3 Box 879 G. Morehead City, North Carolina 28857, or their successors and assigns continue to own fifty percent (50%) or more of the unsold subdivision lots and/or acreage proposed for division into subdivision lots in future phases of Kingsbridge on Queens Creek Subdivision, whether or not platted on maps recorded in the Onslow County Registry, but in any event, not longer than December 31, 1990, then Queens Creek Associates shall have the right to designate and select the majority of the persons who shall serve as members of the Board of Directors of the Corporation. Queens Creek Associates may designate and select the person or persons to serve as a member or members of each of said Board of Directors in the manner provided in the Bylaws of the Corporation, and such person or persons so designated and selected need not be a resident of the Subdivision.

ARTICLE X.

The Board of Directors shall elect a President, Vice President, Secretary and Treasurer. 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 President and Vice President shall not be held by the same person, nor shall the office of President and Secretary be held by the same person.

ARTICLE XI.

The names and post office addresses of the initial Board of Directors who, subject to the provisions of these Articles of Incorporation, the Bylaws 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:

John M. Sandlin
Rt. 3 Box 879 G
Emerald Isle, Morehead City, N. C. 28557

John E. Couch, Jr.
Rt. 3 Box 879 G
Emerald Isle, Morehead City, N. C. 28557

Jeffrey Burns
Rt. 3 Box 879 G
Emerald Isle, Morehead City, N. C. 28557

ARTICLE XII.

The original Bylaws of the Corporation shall be adopted by a majority vote of the initial members of the Corporation as provided for in Paragraph 5 Article VI, herein, present at a meeting of said members at which a majority of the membership is present, and thereafter, such Bylaws may be altered or amended only in such manner as said Bylaws 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, whether or not he is 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 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 percent (75%) of the Board of Directors.

ARTICLE XV.

The name and address of the incorporator is as follows:

Richard L. Stanley
1620 Live Oak Street
P. O. Box 150
Beaufort, N.C. 28516

IN TESTIMONY WHEREOF, I, being the incorporator, have hereunto set my hand and seal, this the 17th day of June, 1985.

Richard L. Stanley
Richard L. Stanley

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

I, the undersigned Notary Public hereby certify that Richard L. Stanley, personally appeared before me, and being by me first duly sworn, declares that he signed the foregoing document in the capacity indicated and that the statements therein contained are true.

Witness my hand and notarial seal, this the 17th day of June, 1985.

Donnie Kirk
Notary Public

My Commission Expires: 12/17/87

