

ARTICLES OF INCORPORATION  
OF

DEEP CREEK SHORES OF PERQUIMANS COUNTY  
HOMEOWNERS' ASSOCIATION, INC.

A NORTH CAROLINA NON-PROFIT CORPORATION

(Page 1 of 5)

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 "Deep Creek Shores of Perquimans County Homeowners' 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 residential subdivision known as Deep Creek Shores, Lots #1 through #84, located in New Hope Township, Perquimans County, North Carolina and as shown on the Incorporated Map of Survey recorded on 09/22/2000 in Map Cabinet 2 (86,6-8 and 87, 1-6) of the Perquimans County Registry.

(2) To undertake the performance of, and carry out the acts and duties incident to the administration of the operation and management of Deep Creek Shores of Perquimans County Homeowners Association, Inc. in accordance with the terms, provisions, conditions and authorizations contained in both these Articles and in the Declaration of Covenants, Conditions and Restrictions which were recorded 09/22/2000 in Book 209, Page 540 of the Perquimans County Registry.

(3) To make, establish and enforce reasonable rules and regulations governing the use of the residential subdivision "Deep Creek Shores", 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 lot owners; to provide the funds to pay for common expenses of the Association as provided in the Declaration of Covenants, Conditions, and Restrictions and 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 Covenants, Conditions and Restrictions, 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 Covenants, Conditions and Restrictions of Deep Creek Shores, Lots #1 - #84, and all powers reasonably necessary to implement the purposes of the Association.

#### ARTICLE IV MEMBERSHIP

A. The membership of Deep Creek Shores of Perquimans County Homeowners' Association, Inc. shall consist of the owners of lots in Deep Creek Shores residential subdivision, Lots #1 - #84, the Developer, and the owners of any other lands which may be added thereto by the Developer. Membership shall be established by

acquisition of fee title to a lot in Deep Creek Shores residential subdivision 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 lot 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 lot ownership in Deep Creek Shores subdivision.

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 Covenants, Conditions and Restrictions. 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:

William T. Pearson  
Post Office Box 370  
Hertford, North Carolina 27944

Steve Atkins

Post Office Box 370  
Hertford, North Carolina 27944

Renee Atkins  
Post Office Box 370  
Hertford, North Carolina 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


The physical address of the initial registered office and the principal office of the corporation shall be in Pasquotank County, North Carolina at 101 Pointe Vista Drive, Elizabeth City, North Carolina. The mailing address of the office is Post Office Box 370, Hertford, North Carolina 27944. The name of its initial registered agent at such address is William T. Pearson.

ARTICLE IX  
INCORPORATOR

The name and address of the incorporator is Conrad E.

Paysour, III, 315 West Second Street, Post Office Box 686, Pitt  
County, Greenville, North Carolina 27835

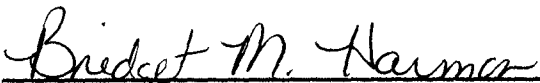
IN WITNESS WHEREOF, the incorporator has hereunto set his  
hand and seal this 10 day of May, 2002.

 (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 10 day of  
May, 2002.

  
Notary Public

My commission expires: 7/23/2005

PREPARED BY AND RETURN TO:  
CONRAD E. PAYSOUR, III  
ATTORNEY AT LAW  
MATTOX, DAVIS, BARNHILL & PAYSOUR  
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