

NORTH CAROLINA

Department of The Secretary of State

To all whom these presents shall come, Greetings:

I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION
OF
THE RESERVE OWNERS ASSOCIATION, INC.

the original of which was filed in this office on the 22nd day of January, 2001.

Melanie Arthur

Carteret County Register of Deeds

CS Date 01/25/2001 Time 11:14:00

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NORTH CAROLINA, CARTERET COUNTY

This instrument and this certificate are duly filed at the date and Time and in the Book and Page shown on the first page hereof.

Melanie Arthur Register of Deeds

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 22nd day of January, 2001 .

Elaine F Marshall

Secretary of State

ARTICLES OF INCORPORATION OF
THE RESERVE OWNERS ASSOCIATION, INC.

Pursuant to Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has on this day, executed these Articles of Incorporation for the purpose of forming a non-profit corporation, and does hereby certify as follows:

ARTICLE ONE

Name

The name of the corporation is: The Reserve Owners Association, Inc., hereafter called the "Association".

ARTICLE TWO

Registered Office and Agent

The street address and mailing address of the Association's initial registered office is 224 Brandywine Boulevard, Morehead City, Carteret County, North Carolina, 28557, and the initial registered agent for the Association at that address is Mary Poineau.

ARTICLE THREE

Name of Incorporator

The name and address of the incorporator is: May Poineau, 224 Brandywine Boulevard, Morehead City, NC 28557.

ARTICLE FOUR

Membership

The Association shall have two classes of members, Class A members and Class B members. Class A members shall consist of all persons, firms, and corporations, other than Declarant (hereafter defined), holding fee simple interests in any subdivision lot dedicated for residential dwelling and appearing upon the applicable recorded subdivision maps of "The Reserve", a Carteret County residential subdivision of land, and such other persons, if any, as may be provided by the By-Laws. The Class B member shall be Golf and Shore Properties, Inc., a North Carolina corporation and the developer of the subdivision (herein and elsewhere "Declarant"), or its assigns, for so long as it owns any lot in any initial or subsequent phase of the subdivision. Class A and Class B members shall have the sole voting rights with respect to the Association in all matters, which rights are more particularly set forth in the "Declaration of Covenants, Conditions, and Restrictions for The Reserve" to be recorded in the Office of the Register of Deeds of Carteret County. No member shall have any liability whatsoever for the Association's indebtedness, nor any other liability to any party, solely by reason of their status as a member of the Association. No member shall have any ownership interest in the Association or any of its assets solely by reason of their status as a member.

ARTICLE FIVE

Powers of the Association

The Association shall have all of the specific powers which are granted to it by the Declaration of Covenants, Conditions, and Restrictions recorded in the Carteret County Registry, as well as such other powers as are reasonably and necessarily incident thereto. In addition, the Association shall have all of the powers provided to homeowners associations generally by N. C. General Statute 47F-3-102, all of which powers described in this Article Five being hereby incorporated herein by the references herein made,

ARTICLE SIX

Dissolution and Distribution of Assets

The Association may be dissolved with the assent given in writing and signed by the holders of seventy-five percent of the membership shares. Upon dissolution, other than incident to consolidation or merger, the assets of the Association shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, foundation, or other organization devoted to similar purposes. .

ARTICLE SEVEN

Address of the Principal Office

The street address and mailing address of the principal office of the Association is 224 Brandywine Boulevard, Morehead City, Carteret County, North Carolina 28557.

ARTICLE EIGHT

Board of Director/Officers

The policy affairs and direction of the Association shall be determined by a Board of Directors consisting of at least three, but not more than seven, persons qualified and duly elected to serve in such capacity pursuant to the By-Laws and N. C. General Statute 47F-3-103. For so long as the votes represented by the Class B member are greater in number than the votes represented by the Class A membership, the directors need not own property in the subdivision. However, at such time as the votes represented by the Class A membership are greater in number than the votes represented by the Class B member, then for each section of phase of the subdivision, both initial and subsequent, there shall be at least one director owning a lot in such section or phase. The officers of the Association shall be elected in the manner provided in the By-Laws, and they shall be responsible for executing and implementing the decisions made by the Board of Directors from time to time, as well as all other duties imposed upon them by the By-Laws. The names and addresses of the initial Board of Directors ("Charter Directors") who shall serve in such capacity until their successors shall be elected are:

Mary Poinesu, 224 Brandywine Blvd., Morehead City, NC 28557.
Eugene Gurganus, 478 Newport Loop Road, Newport, NC 28570.
Mary Jane Rogers 224 Brandywine Blvd., Morehead City, NC 28557.

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him/her in connection with any proceeding to which he/she may be a part, or in which he/she may become involved, by reason of his/her having been a director or officer of the Association, whether or not he/she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is found to be, or adjudged guilty of, willful misfeasance or malfeasance in the performance of his/her duties. 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 NINE

By-Laws

The By-Laws of the Association shall be adopted by a simple majority of the votes entitled to be cast by the members of the Association present at the organizational meeting of the Association.

ARTICLE TEN

Meetings of the Association

An organizational meeting of all Charter Directors and members shall be held at a time and place to be determined by the Incorporator, but in no event less than 60 days after the date of incorporation of the Association. The Incorporator of the Association shall serve as Secretary of the meeting. At such meeting, the first order of business shall be to approve the By-Laws proposed by the Charter Directors. The second order of business shall be to elect a new Board of Directors and Officers to serve for the remainder of the current fiscal year or as specified in the By-Laws. The third order of business shall be to appoint members to the Architectural Control Committee and any other standing committees of the Association as provided in the By-Laws. Such other business as may properly come before the meeting shall also be conducted. Provided all Charter Directors and members are present, there shall be no quorum requirements for this meeting. At least 10 days prior to the organizational meeting, a copy of these Articles of Incorporation and the By-Laws proposed for adoption shall be sent to all of the Charter Directors and members. Notice of this meeting may be waived by a writing signed by all Charter Directors and members.

The Association shall have an annual meeting of the general membership at least once a year. Special meetings may be called by the president, a majority of the Board of Directors, or by owners of lots having 10% of the votes in the association. Notice of such meetings shall be given to the membership in the manner provided by the By-Laws.

ARTICLE ELEVEN

Quorum Requirement for Action at Meetings; Proxy Voting

There shall be a quorum present of votes entitled to be cast at any meeting of the membership where a vote on any issue is taken. The quorum requirements shall be as set forth in N.C. General Statute 4717-3-109. Voting by proxy shall be permitted in accordance with N.C. General Statute 47F3-110.

ARTICLE TWELVE

Amendment

Amendment of these Articles shall require the assent of 75% of the votes entitled to be cast by the members present in person or by proxy at a meeting called with due notice for such purpose, subject to all applicable quorum requirements of the By-Laws.

ARTICLE THIRTEEN

Period of Existence

The Corporation shall have perpetual existence. This the 18th day of January, 2001.

Mary Poineau, Incorporator

224 Brandywine Boulevard

Morehead City, NC 28557