ARTICLES OF INCORPORATION

OF

THE WATERFRONT CONDOMINIUM ASSOCIATION

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 the laws of the State of North Carolina.

ARTICLE I   The name of the corporation is THE WATERFRONT CONDOMINIUM ASSOCIATION

ARTICLE II   The period of duration of the corporation is perpetual.

ARTICLE III   The purposes for which the corporation is organized are:

1.   To administer, manage and operate the condominium property known as The Waterfront Condominiums, Manteo, Dare County, North Carolina, in accordance with the Unit Ownership Act and the Declaration and the Bylaws, as recorded in the Office of the Register of Deeds, Dare County, North Carolina in Deed Book 414 at Page 737 et seq., as each may be amended from time to time. The Association shall not engage in any activities other than those directly related to administration of the condominium property and the Unit Owners' responsibilities with respect to the same and those rights and responsibilities with respect to the Commercial Space provided in the Declaration;

2.   To do any other thing which is in keeping with the promotion of the health, safety and welfare of the Unit Owners within the condominiums, provided that the corporation shall not have or exercise any power or authority either expressly, by interpretation or by operation of law, nor shall it directly or indirectly engage in any activity, that would prevent the corporation from qualifying and continuing to qualify as a tax-exempt corporation described in Section 528 of the Internal Revenue Code of 1954, as amended; and

3.   To engage in any lawful act or activity for which nonprofit corporations may be organized under Chapter 55A of the General Statutes of North Carolina.

ARTICLE IV   The corporation shall have members which may be divided into such classes as shall be provided in the Bylaws. All members shall be accepted, appointed, elected or designated in the manner provided in the Bylaws.

ARTICLE V   The directors of the corporation shall be elected or appointed in the manner and for the terms provided in the Bylaws.

ARTICLE VI   No part of the net earnings of the corporation shall inure to the benefit of any officer, director or member of the corporation except as reimbursement for expenses incurred or compensation for services rendered in carrying out the stated objectives of the organization; and upon dissolution of the corporation the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provision made therefor, be distributed to any association or associations organized for the purposes similar to those set forth in Article III hereinabove, all as more particularly provided in the Bylaws of the corporation.

ARTICLE VII   The address of the initial registered office of the corporation in the State of North Carolina is The Condominium, Queen Elizabeth Avenue, Manteo, Dare County, North Carolina 27954, and the name of the initial registered agent at such address is Ray E. Hollowell, Jr.

ARTICLE VIII   The number of directors constituting the initial Board of Directors shall be three, and the names and addresses of the persons who are to serve as the initial directors are:

Ray E. Hollowell, Jr.	2619 Richardson Drive Charlotte, North Carolina 28211
Gerald S. Workman	4115 Pepperidge Drive Charlotte, North Carolina 28226
William H. Cannon	Route 2, Box 648E Mooresville, North Carolina 28115

ARTICLE X   The name and address of the incorporator is:

William H. Cannon
221 South Tryon Street
Charlotte, North Carolina 28202

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal this the 30th day of August, 1985.

_____(SEAL)
WILLIAM H. CANNON

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Rebecca S. Losee, a Notary Public, do hereby certify that William H. Cannon, personally appeared before me this the 30th day of August, 1985, and acknowledged the due execution of the foregoing Articles of Incorporation.

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REBECCA S. LOSEE

MY COMMISSION EXPIRES: 3/20/90