

ARTICLES OF INCORPORATION
OF
SANDPIPER CAY CONDOMINIUM OWNERS ASSOCIATION, INC.

I, the undersigned, being a person of full age, do 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 the State of North Carolina and in accord with the authority and limitations of the North Carolina Condominium Act, Chapter 47C-3-101.

ARTICLE I

The name of the corporation is Sandpiper Cay Condominium Owners Association, Inc.

ARTICLE II

The period of duration of the corporation is perpetual.

ARTICLE III

The purpose for which the corporation is organized is to acquire, construct, manage, maintain and care for the limited common elements and common elements of Sandpiper Cay Condominium (the "Condominium"), situated in Kitty Hawk, North Carolina, in accordance with the North Carolina Condominium Act and the Declaration of Sandpiper Cay Condominium as filed in the office of the Register of Deeds of Dare County, North Carolina.

The corporation shall have all of the powers authorized and prescribed in G.S. 47C-3-101, 102 and 103 and such amendments to said Act as may be made from time to time.

ARTICLE IV

The Association shall have the power to perform and do any and all acts permitted by the Non-Profit Corporation Act, Chapter 55A of the General Statutes of North Carolina and as provided for in the North Carolina Condominium Act, Chapter 47A-3-101, 102 and 103 as may be amended from time to time, which may be necessary and desirable in the acquisition, construction, management, maintenance and care of the limited common elements and common elements of the condominium, and as provided for in the Declaration.

ARTICLE V

There shall be but one class of membership in the Association and the membership shall consist of the owners of each condominium unit.

ARTICLE VI

Each unit shall be entitled to one vote at any meeting of the Association. If a unit is owned by one or more persons, the owner shall designate one person as a voting member. Each owner, or group of owners shall be entitled to only one vote for each unit owned.

ARTICLE VII

The affairs of the Association shall be managed by the Board of Directors and the initial Board of Directors shall be three in number as set forth in

these Articles. Additional members of the Board of Directors shall be provided for as authorized in the various sections of G.S. 47C-3-103, and as provided for in the By-Laws in accordance with such statute.

ARTICLE VIII

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 party or in which he/she may become involved, by reason of him/her being or having been a Director or officer of the Association, whether or not he/she is a Director or an officer of the Association at the time such expenses are incurred, except in such cases where the Director or officer is 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 which such Director or officer may be entitled.

ARTICLE IX

The Association is organized on a non-profit basis for the use and benefit of its members and consequently, will not have any profits to pay dividends. After all expenses of the Association have been paid and a reasonable reserve, as determined by the Board of Directors, has been set aside, the net earnings of the Association shall be accumulated in a surplus fund for the purpose of replacing properties within the condominium and the common areas, and for such other purposes as the Board of Directors may determine to be for the best interest of the Association and subject to the authority and limitations of the North Carolina Condominium Act. No part of the net earnings shall inure to the benefit of any private shareholder (member) or individual. The termination and distribution of proceeds shall be in accord with Chapter 47C-2-118 and as may be amended.

The Association shall not carry on any activities which are not permitted to be carried on by a condominium management association exempt from Federal income tax under Section 528 of the Internal Revenue Code of 1986, as amended.

ARTICLE X

The address of the initial registered office of the corporation is 4724 Croatan Highway, Kitty Hawk, Dare County, North Carolina 27949 and the name of the initial registered agent is Charles H. Foy, Jr.

ARTICLE XI

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

<u>NAME</u>	<u>ADDRESS</u>
Charles H. Foy, Jr.	4060 Martin's Point Road Kitty Hawk, NC 27949
Joseph L. Houska	1092 Laskin Road, Suite 208 Virginia Beach, VA 23451

<u>NAME</u>	<u>ADDRESS</u>
George R. Powell	1092 Laskin Road, Suite 208 Virginia Beach, VA 23451

ARTICLE XII

The name and address of the incorporator is Wallace H. McCown, Post Office Box 757, Manteo, Dare County, North Carolina 27954.

ARTICLE XIII

No member who ceases to be a record owner of property within the Sandpiper Cay Condominium shall thereafter have any interest in or claim upon the property or assets of this non-profit corporation.

IN WITNESS WHEREOF, I, the incorporator, have hereunto set my hand and seal this 27th day of July, 1987.

Wallace H. McCown (SEAL)
Wallace H. McCown

NORTH CAROLINA
DARE COUNTY

This is to certify that on the 27th day of July, 1987, before me, ~~Tamatha Jo Perry~~ (Fincham), a Notary Public of the aforesaid County and State, personally appeared WALLACE H. McCOWN, who, I am satisfied is the person named in and who executed the foregoing Articles of Incorporation and I, having first made known to him the contents thereof, do certify that he did acknowledge that he signed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official stamp or seal, this 27th day of July, 1987.

(NOTARIAL SEAL)

Tamatha Jo Perry (Fincham)
Notary Public
My commission expires: 7-26-91

TAMATHA JO PERRY
NOTARY PUBLIC
DARE COUNTY, N.C.