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State of North Carolina

ALVA G. WISE
Department of the
Secretary of State
N.C.

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 (4 sheets) to be a true copy of

ARTICLES OF INCORPORATION

OF

NAGS HEAD VILLAGE OWNERS' ASSOCIATION, INC.

and the probates thereon, the original of which was
filed in this office on the 24th day of May 19 82,
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 24th day
of May in the year of our Lord 19 82.



Thad Eure
Secretary of State

By *[Signature]*
Deputy Secretary of State

300757

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THAD EURE
SECRETARY OF STATE
NORTH CAROLINA

NORTH CAROLINA
DARE COUNTY

ARTICLES OF INCORPORATION
OF

NAGS HEAD VILLAGE OWNERS' ASSOCIATION, INC.

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 the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, entitled "Non-Profit Corporation Act", and the several amendments thereto, and to that end does hereby set forth:

ARTICLE I

The name of the corporation is Nags Head Village Owners' Association, Inc. hereinafter called the "Association."

ARTICLE II

This Association shall have a perpetual existence.

ARTICLE III

The powers of the Association shall include and be governed by the following provisions:

1. The Association 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 the said Association and any other applicable laws of the State of North Carolina.

2. The Association shall have all the reasonable powers necessary to implement and effectuate the purposes of the corporation, including but not being limited to the following:

a. To make and collect assessments against members to defray the costs and expenses of maintaining the "open space" as hereinafter defined.

b. To use the proceeds of the assessments in the exercise of its powers and duties.

c. To maintain, "open space" as hereinafter defined.

d. To make and amend reasonable regulations with respect to the use of the properties provided that all such regulations and amendments made after the adoption of the By Laws as herein provided for shall be approved by not less than 60% of the votes of the membership of the

Association before the same shall become effective.

- e. To enforce by legal means the provisions of these Articles, the By Laws of the Association and the regulations which may be adopted pursuant thereto.
 - f. To contract for the management of the "open space", and to delegate such powers and duties of the Association except those which are specifically required to have the approval of the Board of Directors or membership of the Association.
 - g. To employ personnel to perform the services required for proper maintenance and operation of the "open space".
 - h. To acquire and enter into, now or at any time hereafter, agreements relating to the use of the lands which may become the property of the Association for the benefit of the members.
 - i. "Open space" refers to those areas of open space shown and delineated on the West side of U.S. Highway 158 By-Pass on the Meyers & D'Aleo Development Plan as approved by the Board of Commissioners of the Town of Nags Head.
3. All funds and the title of all properties acquired by the Association and the proceeds therefrom, shall be held in trust for the members in accordance with the provisions of these Articles and the By Laws.
 4. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of these Articles and the By Laws.

ARTICLE IV

This Association does not contemplate pecuniary gain or profit to the members thereof, and no part of the Association's net income shall inure to the benefit of any of its officers, directors, members, or any other private individual. The purpose and object of the Association shall be to administer the "open space" of Nags Head Village in accordance with the laws of the State of North Carolina, the ordinance of the Town of Nags Head, which said property is situated within the Town of Nags Head, Nags Head Township, Dare County, North Carolina. The qualification of the members, the manner of their admission to membership and termination of membership and the voting of the members shall be as follows:

1. The membership in the Association shall consist of the record owners of lots or parcels of land situated within the perimeter of Nags Head Village, a Special Planned Development - Community created under the provisions of Section 8.04, of the Zoning Ordinance of the Town of Nags Head.

2. Change of ownership in the Association shall be established by the recording in the Office of the Register of Deeds of Dare County, North Carolina, a deed or other instrument establishing a record title to a portion of said Nags Head Village property. The membership of the prior owner of such property at the time of the transfer shall be terminated and the grantee in said deed shall be substituted therefore.
3. The share of a member in the funds or assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to the transfer to a lot or parcel of land situated within Nags Head Village as hereinabove defined.
4. Voting within the Association shall be based on the following formula:

The perimeter of the zoning district, known as Special Planned District - Community shall be deemed to be a total of 411 acres, less the 3 acres transferred to the Town of Nags Head for a new total of 408 acres. Any transfer of property by the original owners, the Florence Epstein Estate, shall be deemed to acquire voting rights for the percentage of acreage transferred as it relates to the number 408. The original owners, the Florence Epstein Estate, shall retain such percentage of voting rights not so transferable from time to time. After the initial transfer of a percentage of ownership entitling the transferee to a vote, subsequent transferees shall be receiving a fractional part of such original vote so that the ownership of the entire portion originally transferred shall have the equivalent vote divided among its owners of such original percentage transferred.

The percentage vote as between districts shall be established by the Board of Directors in the By Laws.

ARTICLE V

The number of directors and the method of election of the directors, shall be fixed by the By Laws, but the number shall be not less than three (3). The numbers of directors constituting the initial Board of Directors shall be three (3) and the names and addresses of the persons who are to serve as directors until the first meeting of the members, or until their successors are elected and qualified are:

<u>NAME</u>	<u>ADDRESS</u>
Leonard S. Epstein	2601 E. Indian River Road Chesapeake, Virginia 23325
Stanley W. Epstein	109 Van Owens Street North Hollywood, California 91606
Marjorie E. Massing	10 Fencepost Court Baltimore, Maryland 21208

The first By Laws of the Association shall be adopted by the Board of Directors, and may be altered, amended, or rescinded in the manner provided by the By Laws.

BOOK 359

ARTICLE VII

Every director or officer of the Association shall be held harmless and indemnified by the Association 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 of, in which he may be involved, or by reason of his being or having been a director or officer of the Association, or any settlement thereof, 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 a settlement, the indemnification herein shall apply only when the Board of Directors approved such settlement and reimbursement is being for the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all rights to which such director or officer may be entitled.

ARTICLE VIII

The address of the initial registered office of the corporation is ^{Sir Walter Raleigh Ave.} P. O. Box 757, Manteo, ^{DARE COUNTY,} North Carolina, 27954, and the name of the initial registered agent at such address is W. H. McCown, Sir Walter Raleigh Ave., Manteo, Dare Co., North Carolina.

ARTICLE IX

The name and address of the incorporator is W. H. McCown, P. O. Box 757, Manteo, North Carolina. 27954

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 26th day of May, 1981.

W. H. McCown (SEAL)
W. H. McCown

NORTH CAROLINA
DARE COUNTY

This is to certify that on the 26th day of May, 1981, before me, Lorraine E. Tillett, a Notary Public of the aforesaid County and State, personally appeared W. 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 them the contents thereof, he did acknowledge that he signed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and notarial seal this 26th day of May, 1981.

NOTARIAL SEAL:

Lorraine E. Tillett
Notary Public

My commission expires:

February 21, 1985

W. H. McCOWN
ATTORNEY AT LAW

RECORDED: May 29 1982