

RET. Rob Serra
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BOOK 16 PAGE 895

88 MAY 11 PM 12:00

State of North Carolina

Department of the
Secretary of State
ROBERT L. EDINSON
REGISTER OF DEEDS
BRUNSWICK COUNTY, 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

HOLDEN BEACH WEST PROPERTY
OWNERS ASSOCIATION, INC.

and the probates thereon, the original of which was filed in this office on the 4th day of May 1988, 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 4th day of May in the year of our Lord 1988.




Secretary of State

ARTICLES OF INCORPORATION
OF
HOLDEN BEACH WEST PROPERTY
OWNERS ASSOCIATION, INC.

A NON-PROFIT CORPORATION

We, the undersigned natural persons of the age of eight years or more, do hereby associate ourselves into 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 do hereby set forth:

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TERRY EURE
SECRETARY OF STATE
NORTH CAROLINA

I. NAME

The name of the corporation is Holden Beach West Property Owners Association, Inc.

II. DURATION

The period of duration of the corporation shall be perpetual.

III. PURPOSES

The corporation shall be organized as to manage the affairs of the Holden Beach West Property Owners Association, Inc., as follows:

1. Adopt and amend by-laws, rules and regulations;
2. Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from property owners;
3. Hire and terminate managing agents and other employees, agents and independent contractors;
4. Institute, defend, or intervene in its own name in litigation or administrative proceedings on matters affecting the subdivision;
5. Make contracts and incur liabilities;
6. Regulate the use, maintenance, repair, replacement, and modification of common elements;
7. Cause additional improvements to be made as a part of the common elements;
8. Acquire, hold, encumber, and convey in its own name any right, title or interest to real or personal property;
9. Grant easements, leases, licenses, and concessions through or over the common elements;
10. Impose and receive any payments, fees, or charge for the use, rental, or operation of the common elements for services provided to property owners;
11. Impose charges for late payment or assessments and, after notice and an opportunity to be heard, levy reasonable fines not to exceed One hundred fifty (\$150.00) dollars, for violations of the declaration, by-laws, and rules and regulations of the corporation;
12. Impose reasonable charges for the preparation and recordation of amendments to the restrictions or statements of unpaid assessments;
13. Provide for the indemnification of and maintain liability insurance for its officers, executive board, directors, employees and agents;
14. Assign its right to future income, including the right to receive common expense assessments, but only to the extent the by-laws expressly so provides;
15. Exercise all other powers that may be exercised in this State by legal entities of the same type as the association;
16. Exercise any other powers necessary and proper for the governance and operation of the corporation;
17. Generally to engage in any other lawful enterprise or activity and to do and perform all acts and things that may be deemed necessary or expedient for the proper and successful prosecution of the objects and purposes for which the corporation is organized.

IV. ORGANIZATION AND OPERATION

The corporation is organized and shall be operated exclusively for the charitable, scientific and educational purposes set forth in Article III.

The corporation shall not have capital stock and no stock or shares shall be issued. No incorporator, trustee, director or officer shall at any time be considered to be the owner of any of the assets, property or income of the corporation, nor shall be, by distribution, liquidation, dissolution or in any other manner, be entitled to or receive any of said assets, property or income, all of which shall be devoted exclusively and forever to the purposes of the corporation or disposed of as hereinafer provided. The corporation is not organized and shall not operate for profit, and no part of its net earnings shall inure or may lawfully inure to the benefit of any private shareholder, incorporator, trustee, director, officer or individual. The above provisions, however, shall not prevent the payment of reasonable compensation to any person, organization, firm or corporation for services rendered to this corporation.

The corporation shall have one class of members who shall be property owners in Holden Beach West Subdivision, as the same is shown on a plat recorded in Map Book J, at Page 338-340 and Book L, at Page 367, Brunswick County Registry. Each member shall be entitled to vote as provided in the By-Laws.

No substantial part of the activities of the corporation shall consist of carrying on propoganda, or otherwise attempting to influence legislation. The corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

The corporation shall not lend any part of its assets, property or income to any incorporator, trustee, director or officer of, or any substantial contributor, to the corporation, to any member of the family of any such person, or to any corporation controlled by any such person; nor shall the corporation pay any compensation in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered, to any such persons or corporations; nor shall the corporation make any part of its services available on a preferential basis to any such persons or corporations; nor shall the corporation make any substantial purchase of securities or other property from or sell any substantial part of its securities or other property to any such persons or corporations for other than an adequate consideration in money or money's worth; nor shall the corporation engage in any other transaction which results in a substantial diversion of its assets, property or income to any such persons or corporations.

The corporation shall not (i) accumulate its income if any such accumulations are unreasonable in amount or duration in order to carry out the purposes for which it is organized or (ii) use any such accumulated income for purposes or functions other than the purposes for which it is organized or (iii) invest any such accumulated income in such a manner as to jeopardize the carrying out of the purposes for which it is organized.

The corporation shall distribute its income for each taxable year at such time and in such manner as not to subject the corporation to the tax provided by Section 4942 of the Internal Revenue Code of 1954, as amended. The corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the internal Revenue Code of 1954, as amended, shall not retain any excess business holdings as amended, shall not retain any excess business holdings as defined in Section 4943(c) of said Code, shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of said Code and shall not make any taxable expenditures as defined in Section 4945(d) of said Code. The references herein to the Internal Revenue code of 1954, as amended, shall include the regulations issued thereunder and the corresponding provisions of subsequent United States Internal Revenue laws and regulations.

It is intended that the corporation shall qualify as an organization (i) which is exempt from income taxes under the United States Internal Revenue Code of 1954 and corresponding provisions of subsequent United States laws and under any applicable laws of the State of North Carolina from time to time in effect and (ii) contributions to which are deductible for income, gift and estate tax purposes under said Internal Revenue Code of 1954 and corresponding provisions of subsequent United States laws and under any applicable laws of the State of North Carolina from time to time in effect.

In the event of dissolution, the residual assets of the organization will be turned over to one or more organizations which themselves are exempt as organizations described in Sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1954 or corresponding sections of any prior or future law, or to the Federal State or local government for exclusively public purposes. The recipient or recipients of said residual assets shall be determined as provided in the by-laws of the organization.

V. MANAGEMENT

The management of the activities, affairs and property of the corporation shall be vested in a board of directors consisting of not less than three or more than five directors, said number to be fixed from time to time by the by-laws of the corporation.

Each director shall hold office for the term of office to which he is elected and until his successor is elected and qualified or until his earlier resignation, incapacity, removal or death.

The directors shall possess such qualifications, be elected and qualified in such manner, serve for such term and upon such conditions, have such voting rights, exercise such powers and perform such duties, in addition to those conferred upon them by statute, as may be prescribed by the by-laws of the corporation.

The board of directors may adopt by-laws, not inconsistent with these articles of incorporation or the laws of the State of North Carolina, for the management and control of the corporation, and may alter, amend or repeal any provision or provisions thereof from time to time as therein provided. The board of directors also may promulgate and amend from time to time suitable policies and rules and regulations governing the work and activities of the corporation, the care and use of its property, the qualifications, duties, performance of work and conduct of its staff and other personnel and employees and such other matters and things as may be necessary and desirable in the judgment of the directors.

The number of directors constituting the initial board shall be three and the names and addresses of the persons who are to serve as the initial board of directors for a term of one year and until their successors are elected and qualified are:

<u>NAME</u>	<u>STREET ADDRESS</u>
Sid Swarts	1254 Ocean Blvd., West Holden Beach, NC 28462
R.T. Linger	Holden Beach, NC
Connor F. Cox	Ocean Isle Beach, NC 28459

VI. REGISTERED OFFICE AND AGENT

The address of the initial registered office of the corporation is 1254 Ocean Boulevard West, Holden Beach, North Carolina 28462, and the initial registered agent at such address is Sid Swarts. (*Brunswick County*)

VII. INCORPORATORS

The name and street address of the incorporator is:

<u>NAME</u>	<u>STREET ADDRESS</u>
Robert K. Serra	Post Office Box 816 Long Beach, NC 28461

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal, this 26 day of April, 1988.

Robert K. Serra (SEAL)
ROBERT K. SERRA,
INCORPORATOR

STATE OF NORTH CAROLINA :
COUNTY OF Brunswick :

I Catherine Skipper Skopp, a Notary Public in and for the State and County aforesaid, hereby certify that ROBERT K. SERRA, INCORPORATOR, personally appeared before me this day and acknowledged the due execution of the foregoing and annexed instrument.

Witness my hand and notarial seal, this 26 day of April, 1988.

Catherine Skipper Skopp
NOTARY PUBLIC

My Commission expires:
9/14/92



STATE OF NORTH CAROLINA, Brunswick County
The foregoing Certificate is a true and correct copy of the original as the same appears from the records of the Register of Deeds.

Recorded this 11th day of May 19 88 at 12:00 o'clock P. M.

Robert J. Robinson, Register of Deeds

Robert J. Robinson RMC