



BayCliff Homeowners' Association, Inc.

ARTICLES OF INCORPORATION

Current as of 1/1/2006

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 Chapter 55A of the General Statutes of North Carolina and the laws of the State of North Carolina.

ARTICLE I: Name

The name of the corporation is BAYCLIFF HOMEOWNERS' ASSOCIATION, INC.

ARTICLE II: Duration

The period of duration of the corporation is perpetual..

ARTICLE III: Purposes and Powers of The Corporation

(1) To operate and manage a planned unit subdivision development known as BayCliff, located in Atlantic Township, Dare County, North Carolina;

(2) To undertake the performance of, and can)' out the acts and duties incident to the administration of the operation and management of, BayCliff Homeowners' Association, Inc. in accordance with the terms, provisions, conditions and authorization contained in both these Articles and in the Declaration of Covenants, Conditions and Restrictions which shall be recorded in the Public Records of Dare County, North Carolina, at such time as the real property and improvements thereon are submitted to said Declaration;

(3) To make, establish and enforce reasonable rules and regulations governing the use of subdivision development, common elements, land, and other real and personal property which may be owned by the Association itself;

(4) To make, levy and collect assessments against lot owners; to provide the funds to pay for common expenses of the Association as provided in the Declaration of Covenants, Conditions and Restrictions and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association; to use said assessments to promote the recreation, acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the common areas, including but not limited to the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management, supervision thereof, the

maintenance of insurance in accordance with the Bylaws, including the employment of attorneys to represent the Association when necessary for such other needs as may arise;

(5) To maintain, repair, replace and operate the properties for which the Association is responsible;

(6) To enforce by any legal means, the provisions of the Declaration of Covenants, Conditions and Restrictions, the Bylaws of the Association, and the rules and regulations for the use of the Association property;

(7) To contract for the management of the recreational property and to delegate to such manager or managers all powers and duties of the Association except those powers and duties which are specifically required to have approval of the Executive Board or the membership of the Association;

(8) To have all of the common law and statutory powers of a non-profit corporation and also those powers as set out in the Declaration of Covenants, Conditions and Restrictions of BayCliff and all powers reasonably necessary to implement the purposes of the Association.

ARTICLE IV: Membership

A. The membership of BayCliff Homeowners' Association, Inc. shall consist of the owners of lots in BayCliff sub-division, the Developer, and the owners of any other lands which may be added thereto by the Developer. Membership shall be established by acquisition of fee title to a lot in BayCliff subdivision whether by conveyance, devise, descent, or judicial decree. A new owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior owner as to a lot designated shall be terminated. Each new owner shall deliver to the Association a true copy of such deed or instrument of acquisition of title.

B, Neither one's membership in the Corporation nor a member's share in the funds and assets of the Corporation may be assigned, hypothecated or transferred in any manner except as an appurtenance to a lot in BayCliff subdivision.

C. There are two classes of membership in BayCliff Homeowners' Association, Inc. The classes of membership and the respective voting rights of each class shall be as follows:

Type A: Type A members shall be all Owners (including the Developer) of Lots. An Owner of a lot shall be entitled to one vote for each Lot that he owns.

Type B: The Type B member shall be the Developer. The Type B member shall be entitled to cast votes as set out in the Declaration of Covenants, Conditions and Restrictions for BayCliff and the Bylaws of Bay Cliff Homeowners' Association, Inc.

D. As stated herein, the term "Developer" shall mean Pioneer Capital Corporation, its successors or assigns.

ARTICLE V: Executive Board (Board of Directors)

A. The number of members of the Executive Board or Board of Directors and the method of election of the members of the Executive Board shall be :fixed by the Bylaws; however, the number of members of the Executive Board shall not be less than three. Except as otherwise expressly stated as to nominees of the Developer, members of the Executive Board shall be elected at large from the membership.

B. The first election by the members of the Association for members of the Executive Board shall not be held until after the Developer has relinquished control of the Association as set out in the Declaration of Covenants, Conditions and Restrictions. Thereafter, the election of members of the Executive Board shall take place at the annual meeting of the membership as provided in the Bylaws. After the Developer has relinquished control, there shall be a special meeting of the membership for the purpose of electing members of the Executive Board to serve until the next annual meeting and until new members of the Executive Board are elected and qualified.

C. Except as provided by N.C. Gen. Stat Section 55A-28.1A, no officer of the Corporation or member of the Executive Board shall be personally liable for money damages as a result of any action for breach of his duty as an officer or as a member of the Executive Board, whether by or in the right of the Corporation or otherwise.

D. The provisions of N.C. Gen. Stat. Sec. 55A-17.1 as to indemnification of members of the Executive Board and officers, employees or agents of the Corporation shall fully apply without restriction or limitation.

Article VI: Initial Executive Board (Board of Directors)

The number of members constituting the initial Executive Board shall be three and the names and address of the persons who are to serve as the first Executive Board are as follows:

NAME	ADDRESS
1. L. Ernest Bridgers, Jr.	1024 Niblick Drive, Rocky Mount, Nash County, NC 27804
2. John Thomas Williams	1314 Eastern Avenue, Rocky Mount, Edgecombe County, NC 27801
3. Pamela B. Smith	4020 Brassfield Drive, Rocky Mount, NC 27803

ARTICLE VII: Tax Status

The Corporation shall have all the powers granted non-profit corporations under the laws of the State of North Carolina. Notwithstanding any other provision of these Articles, this Corporation hereby elects tax-exempt status under Section 528 of the Internal Revenue Code of 1986. This Corporation shall not carry on any activities prohibited by a Corporation electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future. United States Internal Revenue law. It is further provided that no distributions of income of the corporation are to be made to members, directors or officers of the corporation; provided, however, that members of the Corporation may receive a rebate of any excess dues and assessments previously paid.

ARTICLE VIII: Registered Office and Agent

The address of the initial registered office of the corporation in the State of North Carolina is 224 South Franklin Street, Rocky Mount, Nash County, N.C. 27802; and the name of its initial registered agent at such address is L. Ernest Bridgers, Jr.

ARTICLE IX: Incorporator

The address of the incorporator is 224 South Franklin Street, Rocky Mount, Nash County, N.C. 27802; and the name of the incorporator at such address is L. Ernest Bridgers, Jr