

## EXHIBIT E

## ARTICLES OF INCORPORATION

OF

CROATAN PROPERTY OWNERS ASSOCIATION, INC.

I, the undersigned person of the age of eighteen years or more, do 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, 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 hereby set forth:

## ARTICLE I

## NAME

The name of the corporation is Croatan Property Owners Association, Inc.

## ARTICLE II

## DURATION

The period of duration of the corporation shall be perpetual.

## ARTICLE III

## PURPOSES AND POWERS

The purposes for which this corporation is organized are:

A. The operation and management of condominium apartment buildings known as Croatan Condominiums which may be established in accordance with Chapter 47C of the General Statutes of North Carolina Condominium Act and to that end shall have power and authority

(i) to undertake the performance of, and carry out the acts and duties incident to the administration of the operation and management of Croatan Condominiums in accordance with the terms, provisions, conditions and authorization contained in these Articles and in the Declaration which shall be recorded in the public records of Dare County, North Carolina, at such time as portions of real property and the improvements thereon are submitted to a plan of unit ownership;

(ii) to make, establish and enforce reasonable rules and regulations governing the use of condominium units, common elements, limited common elements, condominium property and real and personal property which may be owned by the Association itself;

(iii) to make, levy and collect assessments against condominium unit owners; to provide funds to pay for common expenses of the condominium as provided in the condominium documents and the Condominium Act, and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association;

(iv) to maintain, repair, replace, and operate the condominium property, specifically including all portions of the condominium property to which the Association has the right and power to maintain, repair, replace and operate in accordance with the condominium documents and the Unit Ownership Act;

(v) to reconstruct improvements within the condominium property in the event of casualty or other loss;

(vi) to enforce by any legal means, the provisions of the condominium documents, including the Declaration, these Articles, the By-Laws of the Association, and the rules and regulations for the use of the condominium property;

(vii) to contract for the management of the condominium and to delegate to such manager or managers all powers and duties of the Association except those powers and duties which are specifically required by the Declaration to have approval of the Board of Directors or the membership of the Association.

B. The Association shall have all the common law and statutory powers of a non-profit corporation which are not in conflict with the terms of the Condominium Declaration and the Condominium Act, and in addition shall have all of the powers of the Condominium Association under and pursuant to the Condominium Act, including all of the powers reasonably necessary to implement the purposes of the Association.

#### ARTICLE IV

##### MEMBERSHIP

A. The membership of Croatan Property Owners Association, Inc. shall consist of all of the owners of the condominium units in Croatan. Membership shall be established by acquisition of fee title to a condominium unit in Croatan, whether by conveyance, devise, 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 the condominium unit designated shall be terminated. Each new owner shall deliver to the Association a true copy of such deed or instrument or acquisition of title.

B. The share of a member in the funds and assets of the corporation and membership in the corporation cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to a condominium unit.

C. There shall be one class of membership in Croatan Property Owners Association, Inc. which shall consist of members owning the condominium units in Croatan.

#### ARTICLE V

##### DIRECTORS

A. The number of Directors and the method of election of the Directors shall be fixed by the By-Laws; however, the number of Directors shall not be less than two (2).

B. The number of Directors constituting the initial Board of Directors shall be two (2) and the names and addresses of the persons who are to serve as the first Board of Directors are as follows:

NAME	ADDRESS
John W. Dixon	Post Office Box 1316 Nags Head, North Carolina 27959
Robert D. Foster	Post Office Box 66 North, Virginia 23128

C. The first election by the members of the corporation for Directors shall not be held until after the developer has relinquished control of the Association as described in Paragraph D of this Article V. Thereafter, the election of Directors shall take place at the annual meeting of the membership as provided in the By-Laws. After the developer has relinquished control, there shall be a special meeting of the membership for the purpose of electing a Board of Directors to serve until the next annual meeting and until new Directors are elected and qualified.

D. Upon the initial creation of the Croatan Property Owners Association, Inc., the owner shall have control of and shall appoint the Board of Directors therefore. The Declarant Control period commences on the date hereof and continues until the earlier of (i) the date five (5) years after the date of the first conveyance of a Unit to a Unit Owner other than a Declarant, or (ii) the date upon which Declarant surrenders

control of the Condominium, or (iii) the date sixty (60) days after the Declarant has conveyed seventy-five percent (75%) of the Units to Unit Owners other than a Declarant.

ARTICLE VI

REGISTERED OFFICE AND REGISTERED AGENT

The address of the initial registered office of the corporation is Bowsertown Road, Manteo, Dare County, North Carolina 27954, and the name of the initial registered agent at such address is John W. Dixon.

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 provisions of these Articles, this corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code. 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.

ARTICLE VIII

INCORPORATOR

The name and address of the incorporator is John W. Dixon, Post Office Box 1316, Nags Head, Dare County, North Carolina 27959.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this the \_\_\_\_\_ day of \_\_\_\_\_, 1987.

\_\_\_\_\_  
John W. Dixon, Incorporator (SEAL)

NORTH CAROLINA  
DARE COUNTY

I, \_\_\_\_\_, a Notary Public in and for the aforesaid State and County, do hereby certify that John W. Dixon personally appeared before me this day and acknowledged the due execution of the foregoing Articles of Incorporation.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 1987.

\_\_\_\_\_  
Notary Public

My Commission Expires: