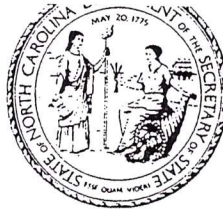


State of North Carolina



ALVA G. WISE
REGISTER OF DEEDS
DAVE COUNTY, N.C.
Department
of the
Secretary of State

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

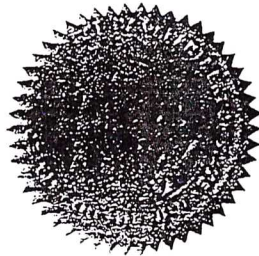
OF

SANDERLING PROPERTY OWNERS ASSOCIATION, INC.

and the probates thereon, the original of which was filed in this office on the 23rd day of February, 19 81, 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 23rd day of February in the year of our Lord 19 81.



Secretary of State

By Deputy Secretary of State

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ARTICLES OF INCORPORATION

THOMAS EURE
SECRETARY OF STATE
NORTH CAROLINA

OF

SANDERLING PROPERTY OWNERS ASSOCIATION, INC.

A NON-PROFIT CORPORATION

I, the undersigned natural 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 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:

1. The name of the corporation is SANDERLING PROPERTY OWNERS ASSOCIATION, INC. (hereinafter called the "Association").

2. The period of duration of the Association shall be perpetual.

3. The purpose or purposes for which the Association is organized are

- (a) This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purpose for which it is formed are to provide for the administration, maintenance and management of the community and facilities known as "Sanderling" Phases 4-A and 4-B and any higher numbered phases (the "Community") according to that certain "Declaration of Covenants, Conditions and Restrictions" dated February 23, 1981 (the "Declaration"), as same may be amended from time to time covering and regarding that certain tract(s) or parcel(s) of land described as:

All that certain parcel or parcels of land shown on a plat or plats entitled "Sanderling Phase 4-A", and "Sanderling Phase 4-B" or any higher numbered phase of "Sanderling" including any parcel of land on which is located any townhouse or condominium facilities, which may or will be recorded from time to time in the Office of the Register of Deeds of Dare County, North Carolina, reference to which is hereby made,

and to promote the health, safety and welfare of the residents within the Community;

- (b) To exercise all the powers and privileges and to perform all the duties and obligations of the Association as set forth in the Declaration, applicable to the properties mentioned above and recorded or to be recorded in the Office of the Register of Deeds of Dare County, North Carolina, and as the same may be amended or supplemented from time to time as therein provided, the Declaration being incorporated herein as if set forth in its entirety;

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- (c) To fix, levy, collect and enforce payment by any lawful means, all charges, assessments, or common expenses pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incidental to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property(ies) maintained and managed by the Association;
- (d) To have and to exercise any and all powers, rights and privileges which a corporation organized under the non-profit corporation laws of the State of North Carolina may now or hereafter have or exercise.

4. The Association shall have members which shall consist solely of the owners of Lots and Dwelling Units (as defined in the Declaration) in the property or properties described in the Declaration, and membership in the Association may be transferred only as an incident to the transfer of the owner's interest in a Lot or Dwelling Unit constituting a portion of The Properties described in the Declaration, and any such transfer shall be subject to the procedures and matters set forth in the Declaration and other documents referred to therein.

5. The directors of the Association shall be elected by the members and in the manner provided in the bylaws.

6. No part of the net income or net earnings of the Association shall inure to the benefit of any officer, director or member of the Association; upon dissolution of this Association the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provision made therefor, be distributed to any corporation(s), organization(s) or association(s) organized for the purposes or engaged in activities substantially similar to those set forth in Article 3 hereinabove, all as more particularly may be provided in the bylaws of the Association.

7. 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 in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Association, 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 any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or

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indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

8. The address of the initial registered office of the Association is as follows:

c/o RDC, Inc.
350 North Marshall Street, Suite 10
Forsyth County
Winston-Salem, North Carolina 27101

The name of its initial registered agent at such address is William E. Hollan, Jr.

9. The initial Board of Directors of the Association shall consist of the following:

Richard B. Fort 350 N. Marshall Street Suite 10 Winston-Salem, N.C. 27101	William B. Cash 350 N. Marshall Street Suite 10 Winston-Salem, N.C. 27101
William E. Hollan, Jr. 350 N. Marshall Street Suite 10 Winston-Salem, N.C. 27101	

who shall hold office and exercise all powers of the Board until the first membership meeting, or until the election of their successors, as provided in the bylaws.

10. The name and address of the incorporator is:

William E. Hollan, Jr.
c/o RDC, Inc.
350 N. Marshall Street
Suite 10
Winston-Salem, North Carolina 27101

IN TESTIMONY WHEREOF, I have hereunto set my hand, this the 20th day of February, 1981.


WILLIAM E. HOLLAN, JR.

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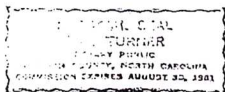
STATE OF NORTH CAROLINA)
)
COUNTY OF FORSYTH)

THIS IS TO CERTIFY that on the 20th day of February, 1981,
before me, a Notary Public personally appeared William E. Hollan, Jr., 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, 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 affixed my
official seal, this the 20th day of February, 1981.

Neil Turner
Notary Public

My Commission Expires:
August 30, 1981



Recorded 3.4.81

PRESENTED FOR
REGISTRATION
AND RECORDED
FEB 24 4 03 PM '81
EUNICE AYERS
REGISTER OF DEEDS
FORSYTH CO., N.C.
#9 606

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