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ARTICLES OF INCORPORATION
OF
MONTERAY PINES ASSOCIATION, INC.

I, the undersigned, being a natural person of full age, make these Articles of Incorporation for the purpose of forming a nonprofit corporation pursuant to the provisions of Chapter 55A of the North Carolina General Statutes.

ARTICLE I
NAME

The name of the corporation is Monterey Pines Association, Inc.

ARTICLE II
DURATION

The period of duration of the corporation shall be perpetual.

ARTICLE III
PURPOSES

The purposes for which the corporation is organized are:

- a) To provide for the management, maintenance, preservation, administration and operation of Monterey Pines Condominium, a Condominium organized pursuant to Chapter 47C of the North Carolina General Statutes, the North Carolina Condominium Act, as set forth in that certain Declaration of Condominium to be recorded in the Office of the Register of Deeds of Currituck County, North Carolina (the "Declaration").
- b) To promote health, safety and welfare of the "Unit Owners" (as defined in the Declaration) and residents within the jurisdiction of this corporation.
- c) To engage in any and all lawful activities incidental to the foregoing and imposed upon it by the Declaration of Monterey Pines Condominium, and as such Declaration may hereafter be amended.
- d) To conduct such services, duties and functions strictly on a non-profit basis for the mutual benefit of all unit owners of Monterey Pines Condominium.

ARTICLE IV
NO PECUNIARY GAIN

This corporation is a nonprofit corporation, and no part of the net earnings (if any) of the corporation shall inure to the pecuniary benefit of its Members (as defined hereinbelow), officers, or directors.

ARTICLE V
MEMBERSHIP AND VOTING RIGHTS

Membership in the corporation ("Membership") shall be limited to the Owners of Units (as defined in the Declaration) in Monterey Pines Condominium, and every Owner of a Unit shall automatically be a member (a "Member") of the corporation. Members shall not include persons or entities who hold an interest in a Unit merely as security for the payment of performance of an obligation. Membership in the corporation shall be appurtenant to and may not be separated from Unit Ownership.

The total number of votes of the Membership of the corporation shall be forty-eight (48). Each Member shall be entitled to cast one vote for each Unit owned by such Member equal to the percentage interest in the Common Elements allocated to such Unit by the Declaration. In the event fee simple title to a Unit is owned of record by more than one person or entity, all such persons or entities shall be Members, but the votes with respect to any such jointly owned Unit shall be cast as hereinafter provided.

If the fee simple title to any Unit is owned of record by two or more persons or entities (whether individually or in a fiduciary capacity), the votes with respect to any one of the joint Owners in person or by proxy, except that the holder or holders of a life estate in a Unit shall have the sole right to cast the votes allocated to the Unit.

In no event may the vote which may be cast with respect to any Unit be divided among joint Owners of the Unit or cast in any manner other than as a whole, it being the intention that there be no "splitting" of votes that may be cast by any Member or Members.

ARTICLE VI
REGISTERED AGENT AND OFFICE

The principal office address and the address of the initial registered office in the State of North Carolina is Over/Seas Professional Center, 2400 N. Croatan Highway, Kill Devil Hills, Dare County, North Carolina, 27948, and the name of the initial registered agent at such address is Robert R. DeGabrielle.

The physical location of the office is Over/Seas Professional Center, 2400 N. Croatan Highway, Suite D, Kill Devil Hills, Dare County, North Carolina, 27948.

ARTICLE VII
EXECUTIVE BOARD OF DIRECTORS

The affairs of the corporation shall be managed by an Executive Board of no less than three (3) members. The number of members of the Executive Board may be changed from time to time in accordance with the Bylaws of the corporation. The number of persons constituting the initial Executive Board is three (3), and the names and addresses of the persons who are to act as initial directors of the Executive Board until the first annual meeting of the Members or until their successors are elected and qualified are.

<u>Name</u>	<u>Address</u>
Robert R. DeGabrielle	2400 N. Croatan Highway Kill Devil Hills, NC 27948
Lauire DeGabrielle	2400 N. Croatan Highway Kill Devil Hills, NC 27948
Ralph Hayes	2400 N. Croatan Highway Kill Devil Hills, NC 27948

The Members of the corporation shall elect Members to serve on the Executive Board at the annual meeting, such members of the Executive Board to serve for a term or the terms as set forth in the Bylaws. Members of the Executive Board may succeed themselves in office.

ARTICLE VIII
INCORPORATOR

The name and address of the incorporator is: John A. Mauney, Esquire, 2224 S. Croatan Highway, Suite 9, Nags Head, North Carolina, 27959.

ARTICLE IX
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

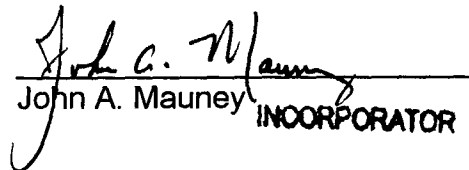
United States Internal Revenue law. It is further provided that no distributions of income of the Corporation are to be made to members, directors or officers of the corporation; provided, however, that members of the Corporation may receive a rebate of any excess dues and assessments previously paid.

ARTICLE X
DISSOLUTION

In the event of dissolution of this corporation, all of its then assets shall be distributed as follows:

The dissolution shall be conducted in compliance with North Carolina General Statutes § 55A-14-01. et.seq., as then amended or supplemented and the assets of the corporation shall be distributed to members of the corporation pro rata in accordance with their respective interest in the common elements of the condominium property.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this 26 day of July, 2001.

 (SEAL)
John A. Mauney
INCORPORATOR