

ARTICLES OF INCORPORATION
OF
BATTALINA CREEK HOMEOWNERS ASSOCIATION, INC.,
A NONPROFIT CORPORATION

I.
NAME

The name of the corporation (the "Corporation") is: **Battalina Creek Homeowners Association, Inc.**

II.
INITIAL REGISTERED OFFICE AND AGENT

The initial registered agent of the Corporation shall be John-Paul Schick. The street address and county of the initial registered office shall be: 2840 Plaza Place, Suite 300, Raleigh, Wake County, North Carolina 27612. The mailing address of the initial registered office shall be: P.O. Box 30427, Raleigh, North Carolina 27622.

III.
PRINCIPAL OFFICE

The street address and county of the principal office of the Corporation shall be: 2840 Plaza Place, Suite 300, Raleigh, Wake County, North Carolina 27612.

IV.
INCORPORATOR

The name and address of the incorporator is: John-Paul Schick, Ortiz & Schick, PLLC, 2840 Plaza Place, Suite 300, Raleigh North Carolina 27612.

V.
DEFINED TERMS

All capitalized terms when used in these Articles (unless the context shall otherwise require or unless otherwise specified herein) shall have meanings set forth in Article One – Definitions of that certain Declaration of Covenants, Conditions and Restrictions entered into by Battalina Creek, LLC and duly recorded at Book 1588, Pages 413-439 in the office of the Register of Deeds for Beaufort County, North Carolina (the "Declaration").

VI.
MEMBERS

The Corporation shall have one (1) class of Members as provided in the bylaws of the Corporation (the "Bylaws"). Members shall have the voting rights as provided in the Bylaws.

VII.
DURATION

The Corporation shall have perpetual duration.

VIII.
PURPOSE AND POWERS; EXEMPTION

The purposes for which the Corporation is organized are to provide for the ownership, management, and operation of the "Common Facilities" (as that term is defined in the Declaration); the enforcement of the covenants and restrictions set forth in the Declaration; and to levy assessments against the members of the Association in accordance with the terms and provisions of the Declaration in order to raise the funds required by the Association to defray expenses which the Association shall incur in carrying out such purposes.

The Corporation is organized as a nonprofit, nonstock, membership corporation for the sole purpose of performing certain functions for the common good and general welfare of the residents of that certain residential subdivision development (the "Development") in Beaufort County, North Carolina, commonly known as "Battalina Creek." The Corporation shall have no power or duty to do or perform any act or thing other than those acts and things which will promote in some way the common good and general welfare of the residents of the Development. To the extent, and only to the extent, necessary to carry out such purpose, the Corporation (a) shall have all of the powers of a corporation organized under the North Carolina Nonprofit Corporation Act, and (b) shall have the power and duty to exercise all of the rights, powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Bylaws.

No substantial part of the activities of the Corporation shall be the direct or indirect participation or intervention in political campaigns on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt for federal income tax under Section 501(c)(6) of the Internal Revenue Code, or corresponding section of any future federal tax code.

IX.
PROHIBITION AGAINST DISTRIBUTION OF INCOME

No part of the net earnings, gains or assets or assets of the Corporation shall inure to the benefit of or be distributable to its directors, officers, other private individuals, or organizations organized and operated for a profit (except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the Corporation as herein stated).

X.

LIABILITY OF DIRECTORS; INDEMNIFICATION

No director of the Corporation shall be personally liable to the Corporation or its members for monetary damages for breach of fiduciary duty of care or other duty as a director, except that this Article shall not eliminate or limit the liability of a director: (i) for any appropriation, in violation of his duties, of any business opportunity of the Corporation; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (iii) for any transaction from which the director derives an improper personal benefit (collectively "Wrongful Director Actions"). Neither the amendment nor repeal of this Article, nor the adoption of any provision of these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any act or failure to act, or any cause of action, suit or claim that, but for this Article, would accrue or arise prior to any amendment, repeal or adoption of such an inconsistent provision. If the North Carolina Nonprofit Corporation Act is subsequently amended to provide for further limitations on the personal liability of directors of corporations for breach of duty of care or other duty as a director, then the personal liability of the directors of the Corporation shall be so further limited to the greatest extent permitted by the North Carolina Nonprofit Corporation Act.

Except in relation to Wrongful Director Actions, the Corporation shall indemnify any director or former director of the Corporation against expenses (including reasonable attorneys' fees) or liabilities actually and reasonably incurred by a director or former director in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which such director or former director is made a party or was (or is threatened to be made) a party by reason of being or having been such director.

XI.

AMENDMENT

These Articles of Incorporation may be amended only upon a resolution, duly adopted by the Board of Directors, and the affirmative vote of Members who own at least two-thirds (2/3) of the Lots.

XII.

DISSOLUTION

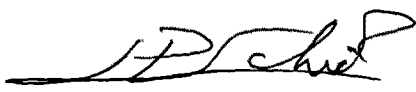
Upon dissolution of the Corporation, all liabilities and obligations of the Corporation shall be paid and discharged, or adequate provisions shall be made therefor, and the remainder the Corporation's assets shall be distributed as required by the terms of N.C.G.S. § 47F-2-118, as amended, of the North Carolina Planned Community Act.

XIII.

EFFECTIVE DATE

These Articles of Incorporation shall be effective upon filing.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation on January 31, 2011.

By: 

John-Paul Schick, Incorporator

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