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October 7, 1996

VIA HAND DELIVERY

Mr. Edward McCullough
New Leaf Management, LLC
13 Palmetto Business Park
Hilton Head, SC 29928

RE: Night Heron Lakeside Homeowners Association, Inc.

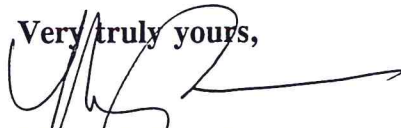
Dear Ed:

In regard to the above captioned matter, enclosed please find the Articles of Incorporation for Night Heron Lakeside Homeowners Association, Inc., filed with the South Carolina Secretary on September 30, 1996. Additionally, I enclose herewith the Certificate of Existence for the owners association.

The application for the employer identification number was sent to the Internal Revenue Service in September; the number should be issued and sent to you at New Leaf by the end of October.

Thank you for your attention to this matter. Please contact me if you have any questions.

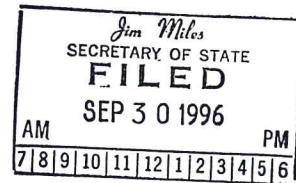
Very truly yours,



Maria Belbas Parker

Enclosures

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
JIM MILES
NONPROFIT CORPORATION
ARTICLES OF INCORPORATION



1. The name of the nonprofit corporation is Night Heron Lakeside Homeowners Association, Inc.
2. The initial registered office of the nonprofit corporation is 13 Palmetto Business Park, Hilton Head Island, Beaufort County, South Carolina 29928

The name of the registered agent of the nonprofit corporation at that office is Edward M. McCullough

3. Check (a), (b), or (c) whichever is applicable. Check only one box.
 - a. The nonprofit corporation is a public benefit corporation.
 - b. The nonprofit corporation is a religious corporation.
 - c. The nonprofit corporation is a mutual benefit corporation.

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE.

4. Check (a) or (b), whichever is applicable:
 - a. This corporation will have members.
 - b. This corporation will not have members.

SEP 30 1996


SECRETARY OF STATE OF SOUTH CAROLINA

5. The address of the principal office of the nonprofit corporation is 13 Palmetto Business Park, Hilton Head Island, South Carolina 29928
6. If this nonprofit corporation is either a public benefit or religious corporation (box "a" or "b" of ¶ 3 is checked) and intends to operate within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, complete "a" and "b" below.

If this nonprofit corporation is a public benefit or religious corporation and does not intend to operate within the meaning of Section 501(c)(3) of the Internal Revenue Code, complete "c" below.

- a. The purposes for which the corporation is organized are exclusively religious, charitable, scientific, literary, and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law. Notwithstanding any other provision of these articles, this corporation shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.
- b. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government or to a state or local government for a public purpose. Any such asset not so disposed of shall be disposed of by the court of common pleas of the county in which the principal office of the corporation is then located exclusively for such purposes, or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.
- c. Upon dissolution of the corporation consistent with law, the remaining assets of the corporation shall be distributed to:

7. If the corporation is a mutual benefit corporation (box "c" of ¶ 3. is checked), complete either (a) or (b), whichever is applicable, to describe how the [remaining] assets of the corporation will be distributed upon dissolution of the corporation.
 - a. Upon dissolution of the mutual benefit corporation the [remaining] assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

b. Upon dissolution of the mutual benefit corporation the remaining] assets, consistent with law, shall be distributed to _____

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See § 33-31-202(c) of the 1976 South Carolina Code, the applicable comments thereto, and the instructions to this form): none

9. The name and address (with zip code) of each incorporator is as follows (only one is required):

Name	Address (with zip code)
Edward T. McCullough	13 Palmetto Business Park Hilton Head Island, South Carolina 29928

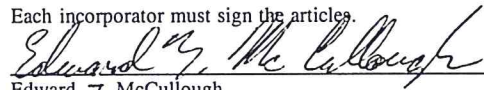
10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles:

(only if named in articles) Signature of director

(only if named in articles) Signature of director

(only if named in articles) Signature of director

11. Each incorporator must sign the articles.



Edward T. McCullough

12. Effective date of corporation: August 1, 1996

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must be filed.
2. If space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk which will allow for expansion of space on the form.
3. This form must be accompanied by the filing fee of \$25.00 payable to the Secretary of State.

Form Approved by South Carolina
Secretary of State Jim Miles
November 1994

The State of South Carolina



Office of Secretary of State Jim Miles **Certificate of Incorporation, Nonprofit Corporation**

I, Jim Miles, Secretary of State of South Carolina Hereby certify that:

NIGHT HERON LAKESIDE HOMEOWNERS ASSOCIATION, INC.,
a nonprofit corporation duly organized under the laws of the state of South Carolina on **September 30th, 1996**, and having a perpetual duration unless otherwise indicated below, has as of the date hereof filed a Declaration and Petition for Incorporation of a nonprofit corporation for Religious, Educational, Social, Fraternal, Charitable or other eleemosynary purpose.

Now, therefore, I Jim Miles, Secretary of State, by virtue of the authority in me vested, by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto, do hereby declare the organization to be a body politic and corporate, with all the rights, powers, privileges and immunities, and subject to all the limitations and liabilities, conferred by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto.

Given under my Hand and the Great Seal of
the State of South Carolina this 2nd day of
October, 1996.

A handwritten signature in cursive script that reads "Jim Miles".

Jim Miles, Secretary of State

Note: This certificate does not contain any representation concerning fees or taxes owed by the Corporation to the South Carolina Tax Commission or whether the Corporation has filed the annual report with the Tax Commission. If it is important to know whether the Corporation has paid all taxes due to the State of South Carolina, and has filed the annual reports, a certificate of compliance must be obtained from the Tax Commission.