

**ARTICLES OF INCORPORATION
OF
SOUTHPOINTE HOMEOWNERS ASSOCIATION OF WILSON, INC.**

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned, who is a resident of the State of North Carolina and who is of full age, has this day formed an association and does hereby certify:

**ARTICLE I
NAME**

The name of the Association is **SouthPointe Homeowners Association of Wilson, Inc.**

**ARTICLE II
NONSTOCK CORPORATION**

There shall be no stock certificates issued with respect to the Association.

**ARTICLE III
REGISTERED OFFICE**

The principal and registered office of the Association is as follows:

3301 Nash Street NW, Wilson, NC 27896
This is in Wilson County, NC

The Association may have such other offices as may from time to time be designated by its members.

**ARTICLE IV
REGISTERED AGENT**

R. Michael Eatmon, whose address is 3301 Nash Street NW, Wilson, NC 27896, in Wilson County, North Carolina, is the initial registered agent of this Association. The mailing address of the initial registered agent is P.O. Box 515, Wilson, NC 27894.

**ARTICLE V
PURPOSE**

Section 1. The specific purposes of the Association are as follows:

A. To perpetually own, manage, operate, maintain, repair and reconstruct any Common Elements located on the property described on Exhibit A attached to the Declaration of Covenants, Conditions and Restrictions for SouthPointe Subdivision (hereinafter referred to as "Declarations") executed by SouthPointe Capital, Inc. (hereinafter referred to as the "Declarant"), said Declarations to be duly recorded in the Wilson County Registry.

B. To adopt and enforce reasonable rules, regulations and procedures from time to time regarding the ownership, operation, management, repair, maintenance and reconstruction of the Common Elements.

C. To exercise all the powers and privileges and perform all of the duties of the Association as set forth in these Articles of Incorporation, the Declarations, and the By-Laws of the Association.

D. To fix, levy, collect and enforce payment by any lawful means of all charges and assessments set forth in the Declarations and to pay all expenses incident to the conduct of the business of the Association, including, but not limited to, all licenses, taxes, assessments or governmental charges levied or imposed against any property owned by the Association.

E. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection of the affairs of the Association.

F. With the consent of two-thirds of the votes entitled to be cast by the members of the Association, to borrow money and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

G. With the consent of two-thirds of the votes entitled to be cast by the members of the Association, to participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes.

H. To dedicate, sell or transfer all or any part of the Common Elements owned by the Association to any public agency, authority, utility or other corporation for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by all of the members agreeing to such dedication, sale or transfer.

I. To have and exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation laws of the State of North Carolina by law may now or hereafter have or exercise.

Section 2. This Association is organized and shall be operated exclusively not for profit. No part of the earnings of this Association or the funds contributed by any person or corporation shall inure to the benefit of any director, officer, or member of the Association, or any private individual (other than by acquiring, constructing, or providing management, maintenance, and care of property for which the Association is responsible and other than by a rebate of excess membership dues, fees or assessments), except that reasonable compensation may be paid for services rendered to or for the Association affecting one or more of its purposes. In the event of dissolution of the Association, either voluntary or involuntary, other than incident to a merger or consolidation, no director or officer of the Association or any private individual shall be entitled to any distribution or division of its assets, and said assets, after the payment of all debts and obligations of the Association, shall be granted, conveyed and assigned to a non-profit entity or entities whose purposes are substantially similar to those set forth in this Article V.

Section 3. In order to properly prosecute the objects and purposes set forth, this Association

shall have all the powers vested in nonprofit corporations by the laws of the State of North Carolina under North Carolina General Statute, Chapter 55A and other laws relating to nonprofit corporations which may appear in the General Statutes of North Carolina, together with all amendments thereto, past and future. Such powers shall include (but the inclusion of such powers shall not be deemed exclusive of other powers vested in the Association), the following powers:

- A. The power to acquire real or personal property, tangible or intangible, by gift, contribution, bequest, devise, purchase, lease, exchange, or by any other manner, and to hold legal or equitable title to real and personal property;
- B. To borrow money, issue bonds, indentures, or other evidences of the indebtedness, secured or unsecured;
- C. To sell, buy, lease encumber, mortgage, pledge, donate and otherwise deal with, acquire and dispose of real and personal property, either one or both; and
- D. To generally perform all acts which may be deemed necessary, expedient, or proper by the Association for the successful carrying out of the objects and purposes for which the Association is formed.

ARTICLE VI MEMBERSHIP

Every record Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to, and may not be separated from ownership of any Lot which is subject to assessment.

ARTICLE VII VOTING RIGHTS

The Association shall have two classes of voting memberships as set forth below:

Class A: Class A Members shall be every person or entity who or which is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, except for the Declarant or any Affiliate, during any period of Declarant Control. The foregoing is not intended to include persons or entities that hold an interest in a Lot merely as security for the performance of an obligation. Class A Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment by the Association. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members.

Class B: The Class B Member shall be the Declarant and shall be entitled to (6) votes for each Master Plan Lot that is owned by the Declarant, and/or any Affiliate or for which Declarant or any Affiliate holds a contract right to purchase. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal or exceed the

total votes outstanding in the Class B membership, but provided, that the Class B membership shall be reinstated if thereafter, and before the time stated in Sub-paragraph (b) below, the Master Plan is amended to add additional Master Plan Lots sufficient to give the Class B membership a total number of votes (with the Class B membership entitled to (6) votes for each Master Plan Lot that is owned by a Declarant and/or any Affiliate or for which Declarant or any Affiliate holds a contract right to purchase) greater than those of the Class A membership; or

(b) Twenty (20) years from the date of recordation of the Declaration.

ARTICLE VIII BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors of not less than two (2) nor more than six (6) directors, who need not be members of the Association except as otherwise required by the By-Laws of the Association. The number of directors of the Association may be changed by an amendment to the By-Laws. The names and addresses of the persons who are to act in the capacity of initial directors until their successors are elected and qualified are:

<u>NAMES</u>	<u>ADDRESSES</u>
R. Michael Eatmon	3301 Nash Street NW Wilson, NC 27896
R. Blake Eatmon	3301 Nash Street NW Wilson, NC 27896
D. Lynn Webb	3301 Nash Street NW Wilson, NC 27896

ARTICLE IX DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than three-fourths (3/4) of the total members of each class of members in the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be distributed in accordance with these Articles.

ARTICLE X DURATION

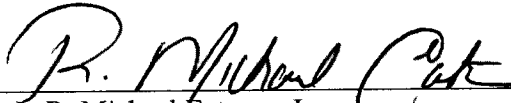
The corporation shall exist perpetually.

ARTICLE XI AMENDMENTS

The Association may amend these Articles only upon the consent of seventy-five percent (75%) of the votes entitled to be cast by members of the Association at any duly organized meeting of the

Association.

IN WITNESS, WHEREOF, for the purpose of forming this Association under the laws of the State of North Carolina, I, the undersigned, constituting the Incorporator of the Association, have executed these Articles of Incorporation, this 10th day of SEPTEMBER, 2008.

 (SEAL)

R. Michael Eatmon, Incorporator
3301 Nash Street NW
P.O. Box 515
Wilson, NC 27894