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STATE OF NORTH CAROLINA
INCORPORATION

SHERATON VILLAGE PHASE III HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned, who is a resident of Pitt County, North Carolina, and who is of full age, has this day executed these articles for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is Sheraton Village Phase III Homeowners Association, Inc., hereinafter called the "Association".

ARTICLE II

LOCATION OF REGISTERED OFFICE

The principal and registered office of the Association is located at 300 Cotanche Street, Greenville, Pitt County, North Carolina.

ARTICLE III

REGISTERED AGENT AND ADDRESS

Stephen F. Horne, II, whose address is 300 Cotanche Street, Greenville, Pitt County, North Carolina, is hereby appointed the initial registered agent of the Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within the certain tract or property described as;

Lying and being in Winterville Township, Pitt County, North Carolina, and being all of Lots 29 and 30, Block C, of Whichport Development, Section 6 as appears in Map Book 31, Page 237 of the Pitt County Public Registry.

and also any other property conveyed to this Association pursuant to this agreement and the general scheme of development of Sheraton Village Phase III Townhomes; and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this purpose to:

- (a) exercise all of the power and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded, or to be recorded in the Office of the Register of Deeds of Pitt County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;
- (b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (c) 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 with the affairs of the Association;
- (d) borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

- (e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility 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 as instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;
- (f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;
- (g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who 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, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:
Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any

Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease, if not sooner terminated as herein provided, on July 1, 1991. Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of five (5) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Charles R. Vandiford	Route 1, Box 233 Snow Hill, NC 28580
Mary B. Vandiford	Route 1, Box 233 Snow Hill, NC 28580
Charles Keith Vandiford	Route 1, Box 233 Snow Hill, NC 28580
Julie Vandiford	Route 1, Box 233 Snow Hill, NC 28580
Merilu Vandiford Davis	Route 1, Box 232 Snow Hill, NC 28580

At the first annual meeting, the members shall elect five directors for a term of one year, and at such annual meeting thereafter the members shall elect five directors for a term of three years.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS


Amendment of these Articles shall require the assent of seventy-five (75%) percent of the entire membership.

ARTICLE XI

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, being the incorporator of this Association, has executed these Articles of Incorporation, this the 27th day of October, 1986.


Michael C. Sigmon (SEAL)
300 Cotanche Street
Pitt County
Greenville, NC 27835

NORTH CAROLINA
PITT COUNTY

I, John N. Smith III, a Notary Public in
and for the aforesaid County and State, do hereby certify that
Michael C. Sigmon personally appeared before me this day and, after
first being duly sworn, acknowledged the due execution of the foregoing
Articles of Incorporation of SHERATON VILLAGE PHASE III HOMEOWNERS
ASSOCIATION, INC. and certify that the same is true.

WITNESS my hand and Notarial Seal, this the 27th day of
October, 1986.

John N. Smith III
NOTARY PUBLIC



My Commission Expires: September 11, 1990