

**ARTICLES OF INCORPORATION
OF**

WALLBOURNE COMMUNITY ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned corporation does hereby submit these Articles of Incorporation for the purposes of forming a nonprofit corporation:

ARTICLE I
Name of Corporation

The name of the Corporation is WALLBOURNE COMMUNITY ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II
Initial Principal Office

The street and mailing address of the principal office of the Association is located at 328 East Main Street, Clayton, Johnston County, North Carolina, 27527. The location of the principal office may be changed at any time by a majority vote of the Board of Directors.

ARTICLE III
Initial Registered Office and Registered Agent

The street address and mailing address and county of the initial registered office of the Association are:

Street and Mailing Address: 104 N. Fayetteville Street, Clayton North Carolina
27520
County: Johnston County

The name of the initial registered agent at such address is McCullers, Whitaker, & Hamer, PLLC. The location of the initial registered office as well as the initial registered agent may be changed at any time by a majority vote of the Board of Directors.

ARTICLE IV
Purpose and Powers

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 residence Lots and Common Area within that certain tract of property described as Wallbourne Subdivision and other properties that may be annexed thereto, as described in that certain Declaration of Covenants, Conditions and Restrictions for Wallbourne Subdivision which has or will be recorded in the Johnston County Registry (hereafter,

"Declaration"), as amended, 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 Association and for these purposes to have and exercise the following powers:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration applicable to the property, 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; to pay all 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 real or personal property, tangible or intangible, by gift, purchase, contribution, request, devise, lease, exchange or by any other manner;

(d) Own, hold, improve, buy, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with affairs of the Association;

(e) Borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of its personal property as security for money borrowed or debts incurred;

(f) Borrow money, and with the assent of eighty percent (80%) of the members, mortgage, pledge, deed in trust, or hypothecate any or all of its real property as security for money borrowed or debts incurred;

(g) Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, utility or other non-profit 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 eighty percent (80%) of the members agreeing to such dedication, sale or transfer;

(h) Participate in mergers and consolidations and with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area;

(i) Perform all acts which may be deemed necessary, expedient or proper by the corporation for the successful carrying out of the objects and purposes for which the corporation is formed; and

(j) Have and to exercise any and all powers, rights, and privileges which a nonprofit corporation organized under the laws of the State of North Carolina may now or hereafter have or exercise, including those powers, rights and privileges set forth in Chapters 47F and 55A of the North Carolina General Statutes, as may be amended.

This corporation is organized and shall be operated exclusively as a homeowners association and not for profit. No part of the earnings of this corporation or the funds contributed

by any person or corporation shall inure to the benefit of any director, officer, or Member of the corporation, or any private individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Association property, 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 corporation affecting one or more of its purposes. In the event of the liquidation or dissolution of the corporation, either voluntary or involuntary, no director or officer of the corporation or any private individual shall be entitled to any distribution or division of its remaining property or its proceeds, except as may be otherwise required by law, and the balance of all money and other property received by the corporation from any source, after the payment of all debts and obligations of the corporation, shall be used or distributed exclusively to an entity or entities whose purposes are substantially similar to those set forth in this Article IV and within the intendment of Section 528 of the Internal Revenue Code of 1986 and the regulations thereunder as the same now exist or as they may be hereafter amended from time to time or to an appropriate public agency to be or used for purposes similar to those stated in this Article IV or to an organization which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

Anything to the contrary notwithstanding the corporation shall not possess or exercise any power or authority either expressly, by implication, or by operation of law that will prevent it at any time from qualifying as a "Residential Real Estate Management Association" as defined in Section 528 of the Internal Revenue Code of 1986 as amended and the regulations thereunder, nor shall it engage directly or indirectly in any activity which would cause the loss of such qualification or deny it such election under such section of the Internal Revenue Code.

ARTICLE V **Membership**

Every person or entity 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, 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 members shall be entitled to vote in accordance with the Declaration and the Bylaws of the Association.

ARTICLE VII **Board of Directors**

The affairs of this Association shall be managed by a Board of three (3) directors as set forth in the Bylaws. The number of directors may be increased by amendment of the Bylaws of

the Association. The method for election and removal of directors shall be as set forth in the Bylaws of the Association. During the Declarant Control Period, the Declarant, or persons designated by the Declarant, may appoint, remove and replace the members of the Board in its sole discretion.

ARTICLE VIII **Dissolution**

The Association may be dissolved with the assent given in writing and signed by members holding not less than eighty percent (80%) of the votes in the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, and unless otherwise required by law, 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 non-profit corporation, association, trust, or other organization to be devoted to such similar purposes.

ARTICLE IX **Limitation of Liability**

No person who is serving or who has served as a director of the Association shall be personally liable to the Association or any of its members for monetary damages for breach of duty as a director, except for liability with respect to (i) acts or omissions that the director at the time of such breach knew or believed were clearly in conflict with the best interests of the Association, (ii) any transaction from which the director derived an improper personal benefit or (iii) acts or omissions with respect to which the North Carolina Nonprofit Corporation Act does not permit the limitation of liability. As used herein, the term "improper personal benefit" does not include a director's reasonable compensation, if allowed per the Bylaws, or other reasonable incidental benefit for or on account of his service as a director, officer, employee, independent contractor, attorney, or consultant of the Association.

ARTICLE X **Duration**

The corporation shall exist perpetually.

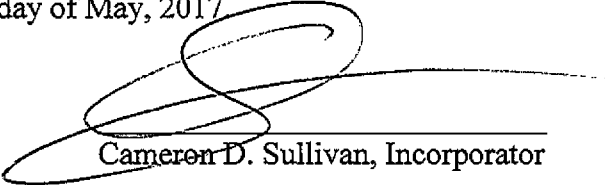
ARTICLE XI **Amendments**

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

ARTICLE XII
Incorporator

The incorporator of the Association is Cameron D. Sullivan, 104 N. Fayetteville Street, Clayton, North Carolina 27520.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this 5th day of May, 2017



Cameron D. Sullivan, Incorporator