

**ARTICLES OF INCORPORATION  
OF  
CARLTON POINTE HOMEOWNERS ASSOCIATION, INC.**

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned, all of whom are residents of the State of North Carolina and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

**ARTICLE I**

The name of the corporation is CARLTON POINTE HOMEOWNERS ASSOCIATION, INC. hereinafter called the "Association."

**ARTICLE II**

The principal and registered office of the Association is located at 4601 Six Forks Rd., Suite 400, Raleigh, Wake County, NC 27609.

**ARTICLE III**

W. Thurston Debnam, Jr., whose address is 4601 Six Forks Rd., Suite 400, Raleigh, Wake County, NC 27609 is hereby appointed the initial registered agent of this Association.

**ARTICLE IV**

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 residential Lots and Common Area within that certain tract of property described as Carlton Pointe - including any additions thereto, 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 for these purposes to:

(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 of Covenants, Conditions and Restrictions for Carlton Pointe Homeowners Association, Inc., hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of Wake County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as it is 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 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 property in connection with affairs of the Association, provided any conveyance, sale, dedication or disposition of real property is not inconsistent with the laws and ordinances of the Town of Rolesville;

(d) Borrow money, and with the assent of four-fifths (4/5) of all Class A Members and four-fifths (4/5) of all Class B Members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any mortgagee in said properties shall be subordinate to the rights of the homeowners and the Association hereunder;

(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 an instrument has been signed by four-fifths (4/5) of each class of Members, agreeing to such dedication, sale or transfer.

(f) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of four-fifths (4/5) of each class of Members and is approved by the Rolesville Town Attorney or his deputy. There will be no annexations for this development.

(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.

The Association is organized and shall be operated exclusively as a homeowners association and not for profit. No part of the earnings of the Association or the funds contributed by any person or corporation shall inure to the benefit of any director, officer, or Member of the Association, other than reimbursement for actual expenses, and other than by a rebate of excess membership dues, fees, or assessments, except that reasonable compensation may be paid to private individuals for services rendered to or for the Association affecting one or more of its purposes. In the event of liquidation or dissolution of the Association, either voluntary or involuntary, no director or officer of the Association or any private individual shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the Association from any source, after the payment of all debts and obligations of the Association, 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 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 Association 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.

In order to properly prosecute the objects and purposes set forth, the Association shall have all the powers vested in corporations by the laws of the State of North Carolina, Chapter 55A, Section 15, and other laws relating to corporations which may appear in the General Statutes of North Carolina, together with all amendments thereto, past and future, which powers shall include, but the inclusion of such powers shall not be deemed as exclusive of other powers vested in the Association, the following powers: The Association shall have full power and authority 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; to borrow money, issue bonds, indentures or other evidences of indebtedness, secured or unsecured; 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

generally to perform all acts which may be deemed necessary - all in accordance with the laws and ordinances of the Town of Rolesville, expedient or proper by the Association for the successful carrying out of the objectives and purposes for which the Association is formed.

#### ARTICLE V

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

The Association shall have two classes of voting memberships:

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, among themselves, determine but in no event shall more than one vote be cast with respect to any lot. Fractional voting with respect to any lot is hereby prohibited.

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 and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total vote outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership; or
- (b) On December 31, 2014; or
- (c) Upon the surrender of all Class B Membership by the holder thereof.

### ARTICLE VII

The affairs of this Association shall be managed by a Board of three (3) 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 election of their successors are:

<u>Name</u>	<u>Address</u>
W. Thurston Debnam, Jr.	4601 Six Forks Rd., Suite 400 Raleigh, NC 27609
Tracy T. Debnam	4601 Six Forks Rd., Suite 400 Raleigh, NC 27609
Stephanie F. Bynum	4601 Six Forks Rd., Suite 400 Raleigh, NC 27609

### ARTICLE VIII

The Association may be dissolved with the assent given in writing and signed by not less than four-fifths (4/5) of each class of Members and the approval of the Rolesville Town Attorney or his deputy. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to the Town of Rolesville 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**

The Association shall exist perpetually.

**ARTICLE X**

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

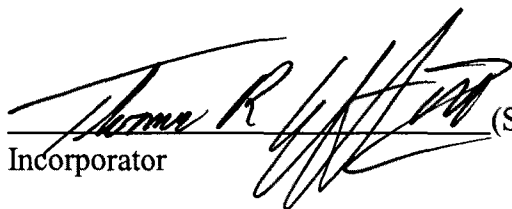
**ARTICLE XI**

The name and address of the incorporator is as follows:

Thomas R. Lenfestey, III,  
4601 Six Forks Rd., Suite 400  
Raleigh, NC 27609

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal

this the 23<sup>rd</sup> day of March, 2007.

 (SEAL)  
Incorporator