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SOSID: 642332
Date Filed: 8/19/2002 8:25 AM
Elaine F. Marshall
North Carolina Secretary of State

**ARTICLES OF INCORPORATION
OF
SOUTH MAIN HOMEOWNERS ASSOCIATION OF HOPE MILLS, INC.
A NON-PROFIT CORPORATION**

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
NAME

The name of the corporation is **SOUTH MAIN HOMEOWNERS ASSOCIATION OF HOPE MILLS, INC.**, hereinafter called the "Association".

ARTICLE II
PRINCIPAL OFFICE

The principal office and the registered office of the Association is located at 937 S. McPherson Church Road, Suite 102, Fayetteville, Cumberland County, North Carolina, 28303.

ARTICLE III
REGISTERED AGENT AND OFFICE AND INCORPORATOR

F. Stuart Clarke whose address is 937 S. McPherson Church Road, Suite 102, Fayetteville, Cumberland County, North Carolina, 28303, is hereby appointed the initial registered agent of this Association, and is the sole Incorporator of this Association.

ARTICLE IV
PURPOSE

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 rules and regulations for the use of and maintenance of the common area of Elmwood Village at Newcastle Subdivision, all as more particularly described on Plat duly recorded in Cumberland County, North Carolina Registry; and to promote the health, safety and welfare of the residents of Elmwood Village at Newcastle Subdivision, and any additions thereto as may be hereafter brought within the jurisdiction of this Association for this purpose 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, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the office of the Register of Deeds of Cumberland County, North Carolina, as

the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if fully 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 the 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;

(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 two-thirds (2/3) of the 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 the members;

(g) to have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

ARTICLE V MEMBERS

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 one class of voting membership. Voting 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.

The Association may, at its election, set up an associate membership classification without the right to vote.

ARTICLE VII
BOARD OF DIRECTORS

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 selection of their successors are:

Terry Spell	1400 Hope Mills Road Fayetteville, NC, 28304
D. Ralph Huff, III	2929 Breezewood Ave. Fayetteville, NC 28303

At the first annual meeting the members shall elect one (1) Director for a term of one (1) year, one (1) Director for a term of two (2) years, and one (1) Director for a term of three (3) years; and at each annual meeting thereafter, the members shall elect one (1) Director for a term of three (3) 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 the 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.

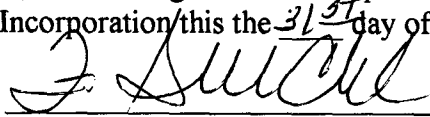
ARTICLE IX
DURATION

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.

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of North Carolina, I, the undersigned, constituting the sole incorporator of this Association, have executed these Articles of Incorporation this the 31st day of July, 2002.



F. Stuart Clarke, Initial Incorporator

NORTH CAROLINA
CUMBERLAND COUNTY

I, Dawn F. Carr, a Notary Public in and for said County and State, do hereby certify that F. Stuart Clarke personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and Notarial seal, this the 31st day of July, 2002.

Dawn F. Carr

Notary Public

My Commission expires: 11/16/2003

