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ARTICLES OF INCORPORATION

OF

WINDERMERE NEIGHBORHOOD ASSOCIATION, INC.

CORP ID # 0506974

FILED

2:42 pm
SEP 23 1999

Effective
ELAINE F. MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

Article 1. Name. The name of the corporation is Windermere Neighborhood Association, Inc. ("Association").

Article 2. Principal Office. The initial principal office of the Association is 101-A Quail Fields Court, Morrisville, NC 27560.

WAKE COUNTY, NC

Article 3. Duration. The Association shall have perpetual duration.

Article 4. Applicable Statute. The Association is organized pursuant to the provisions of the North Carolina Nonprofit Corporation Act.

Article 5. Purposes and Powers. The Association does not contemplate pecuniary gain or profit, direct or indirect, to its members.

(a) In way of explanation, and not of limitation, the purposes for which it is formed are:

(i) to be and constitute the association to which reference is made in the Declaration of Protective Covenants for Windermere (hereinafter, the "Declaration"), recorded or to be recorded in the Wake County, North Carolina land records, to perform all obligations and duties of such association, and to exercise all rights and powers of such association, as specified therein, in the Bylaws of Windermere Neighborhood Association, Inc. ("Bylaws"), and as provided by law; and

(ii) to provide an entity for the furtherance of the interests of the owners of property subject to the Declaration (such property is hereinafter referred to as the "Development").

(b) In furtherance of its purposes, the Association shall have the following powers, which, unless indicated otherwise by the Declaration or Bylaws, may be exercised by its board of directors:

(i) all of the powers conferred upon nonprofit corporations by common law and the statutes of the State of North Carolina in effect from time to time;

(ii) all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles of Incorporation, the Bylaws, or the Declaration, including, without limitation, the following:

- (1) to fix and to collect assessments or other charges to be levied;
- (2) to manage, control, operate, maintain, repair and improve property subjected to the Declaration or any other property for which the Association by rule, regulation, declaration or contract has a right or duty to provide such services;
- (3) to enforce covenants, conditions or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or Bylaws;
- (4) to engage in activities which will actively foster, promote and advance the common interests of all owners within the Development;
- (5) to buy, or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal in and with real, personal and mixed property of all kinds and any right or interest therein for any purpose of the Association;
- (6) to borrow money for any purpose;
- (7) to enter into, make, perform or enforce contracts of every kind and description, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation or other entity or agency, public or private;
- (8) to act as agent, trustee or other representative of other corporations, firms or individuals, and as such to advance the business or ownership interests of such corporations, firms or individuals;
- (9) to adopt, alter and amend or repeal such bylaws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such bylaws may not be inconsistent with or contrary to any provisions of the Declaration; and
- (10) to provide any and all supplemental municipal services as may be necessary or proper.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article 5 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article 5.

Article 6. Membership. The Association shall be a membership corporation without certificates or shares of stock. Each Person who is the Owner of a Lot (as such capitalized terms are defined in the Declaration) subject to the Declaration is a member and shall be entitled to vote as set forth herein and in the Declaration and the Bylaws.

Article 7. Board of Directors. The business and affairs of the Association shall be governed by a board of directors, the number, qualification and method of election of which shall be as set forth in the Bylaws. The initial board shall consist of three (3) persons, as follows:

Richard A. Bacon	1950 Sullivan Road, Atlanta, GA 30337
Dan Fields	1950 Sullivan Road, Atlanta, GA 30337
Eileen Y. Rivera	1950 Sullivan Road, Atlanta, GA 30337

Article 8. Liability of Directors. To the fullest extent that the North Carolina Nonprofit Corporation Act, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, no director of the Association shall be personally liable to the Association or its members for monetary damages for breach of duty of care or other duty as a director. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Article 9. VA/HUD Approval. As long as the Declarant (as such term is defined in the Declaration) has the right to appoint and remove the directors and officers of the Association as provided in the Bylaws, the following actions shall require the prior approval of the U.S. Department of Veterans Affairs ("VA"), so long as the Development is approved by the VA for the guaranteeing of mortgages in the Development, and the U.S. Department of Housing and Urban Development ("HUD"), so long as the Development is approved by HUD for the insuring of mortgages in the Development: annexation of additional property to the Development, except for annexation by Declarant in accordance with Article IX, Section 1 of the Declaration pursuant to a plan of annexation previously approved by the VA and/or HUD, as applicable; mergers and consolidations; dedication of Common Property (as such term is defined in the Declaration) to any public entity; mortgaging of Common Property; dissolution; and material amendment of these Articles of Incorporation.

Article 10. Dissolution. The Association may be dissolved only upon a resolution duly adopted by its board of directors, the affirmative vote of members who are Owners of not less than two-thirds (2/3) of the Lots (other than the Declarant), and the consent of the Declarant, so long as the Declarant owns any property subject to the Declaration or has the right to unilaterally annex additional property to the Development. Upon dissolution of the Association, so long as the VA is guaranteeing or HUD is insuring any mortgage in the Development, and unless otherwise agreed in writing by HUD and/or VA, as applicable, any remaining real property 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 acceptance of such dedication is refused, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes. No such restriction shall exist if VA is not guaranteeing and HUD is not insuring any mortgage in the Development; provided, however, HUD and VA shall be notified of such dissolution.

Article 11. Merger and Consolidation. The Association may merge or consolidate only upon a resolution duly adopted by its board of directors, the affirmative vote of members who are Owners of not less than two-thirds (2/3) of the Lots (other than the Declarant), and the consent of the Declarant, so long as the Declarant owns any property subject to the Declaration or has the right to unilaterally annex additional property to the Development.

Article 12. Amendments. These Articles of Incorporation may be amended only upon a resolution duly adopted by the board of directors of the Association, the affirmative vote of at least two-thirds (2/3) of the total eligible votes of the members, and the consent of the Declarant, so long as the Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration by the Declarant; provided, however, no members shall be entitled to vote on any amendment to these Articles of Incorporation made for the sole purpose of complying with the requirements of any governmental (including, without limitation, HUD or VA) or quasi governmental entity or institutional lender authorized to fund, insure or guarantee mortgages on individual Lots, as such requirements may exist from time to time, which amendments may be adopted by the board of directors of the Association.

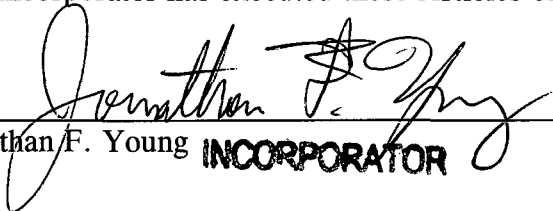
Article 13. Incorporator. The name and address of the incorporator is as follows:

Jonathan F. Young
1950 Sullivan Road
Atlanta, GA 30337

Article 14. Registered Agent and Office. The initial registered office of the Association is in Wake County at 101-A Quail Fields Court, Morrisville, North Carolina 27560, and the initial registered agent at such address is Justin Patsey. *WAKE COUNTY, NC*

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation.

1950 Sullivan Road
Atlanta, GA 30337
(770) 996-2400, ext. 286
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rev. 080599


Jonathan F. Young **INCORPORATOR**