

ARTICLES OF INCORPORATION
OF
SOUTH LAKES MASTER ASSOCIATION, INC.
(A NONPROFIT CORPORATION)

The undersigned, being a natural person of the age of eighteen years or more, hereby makes and acknowledges the Articles of Incorporation (the "Articles") for the purpose of forming a nonprofit corporation under the Nonprofit Corporation Act contained in Chapter 55A of the North Carolina General Statutes:

ARTICLE I
NAME

The name of the corporation is SOUTH LAKES MASTER ASSOCIATION, INC., hereinafter referred to as the "Association".

ARTICLE II
DURATION

The period of duration of the Association is perpetual.

ARTICLE III
PURPOSES AND POWERS

The purposes for which the Association is organized, and the powers conferred upon the Association, are specified in the following Sections of this Article.

Section 1. Organization. The Association specifically is organized as the "Association" pursuant to the provisions of that certain "MASTER DECLARATION FOR SOUTH LAKES", recorded in the Wake County, North Carolina Registry in Book 12431, Page 1680 (and including all amendments and supplemental declarations thereto, the declaration and such amendments and supplemental declarations being referred to herein as the "Declaration"), the Declaration being incorporated by reference as if fully set out herein. The definitions of terms contained in the Declaration are applicable to the Articles, unless the context clearly indicates otherwise. As referred to herein and in the Declaration, the "Act" is the North Carolina Planned Community Act, currently contained in Chapter 47F of the North Carolina General Statutes, and the "Nonprofit Corporation Act" is the North Carolina Nonprofit Corporation Act, currently contained in Chapter 55A of the North Carolina General Statutes. Except as otherwise provided herein or in other Governing Documents, the Association shall have all of the rights, powers, duties and

obligations conferred upon it by the Act and the Nonprofit Corporation Act. The Association and its Members shall be subject to all of the terms of the Declaration, specifically including, without limitation, the provisions regarding membership in the Association and the obligation of Members of the Association to pay monetary assessments and other charges to the Association.

Section 2. Prohibited Powers. Except as permitted or required by the Declaration or permitted or required by the Act, the Association does not have the powers described in the following subsections of Section 55A-3-02 (a) of the Nonprofit Corporation Act: subsections (5), (6), (7), (8), (9), (12), (13), (14), (15), (16), other than carrying on the business of the Association as contemplated by the Declaration and other Governing Documents, and (17).

Section 3. General Powers. Subject to any provisions of the Declaration or the Articles limiting or restricting the Association, in performing its functions under the Declaration the Association may engage in any lawful activity for which nonprofit corporations may be organized under the Act and Nonprofit Corporation Act, and shall have all of the powers necessary to perform such functions.

ARTICLE IV REGISTERED OFFICE AND AGENT

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

140 Towerview Court
Cary, NC 27513

Wake County

The name of the initial registered agent of the Association at the foregoing address is Colen E. Davidson, Jr.

ARTICLE V PRINCIPAL OFFICE

The principal office of the Association is located at 140 Towerview Court, Cary, Wake County, North Carolina 27513.

ARTICLE VI MEMBERSHIP AND VOTING

Section 1. Membership. Each and every Owner of a Lot and each and every Owner of a Development Parcel, including the Declarant, is a Member of the Association (and Declarant is the Class B Member of the Association as provided in the Declaration) and, by execution of the Declaration or by acceptance of a deed conveying to such Owner title to any Lot or Development Parcel, each Owner consents to be a Member of the Association, subject to the terms of the Governing Documents. Membership shall be appurtenant to and may not be separated from ownership of the Lot or Development Parcel owned by such Owner. An Owner's membership in the Association automatically terminates whenever such Person ceases to be an Owner of such Lot or Development Parcel (except that the Declarant's Class B Membership shall terminate only as provided in the Declaration), but such termination shall not release or relieve any such Owner from any liability or obligation incurred under the Declaration during the period of such Owner's ownership, nor impair any rights or remedies which the Association or any other Owner has with respect to such former Owner.

Section 2. Classes of Voting Members. The Association shall have two (2) classes of voting Members, with votes in the Association, as follows:

(a) **Class A.** Class A Members are all Owners of Lots, Development Parcels, and Apartment Units, except for the Declarant. Class A Members shall have the following votes:

(1) one (1) vote for each Lot owned by the Class A Member, but only one (1) Class A Member vote is allocated to each Lot, regardless of the number of Owners thereof.

(2) one (1) vote for each acre of a Development Parcel owned by the Class A Member, but only one (1) Class A Member vote is allocated to each acre of a Development Parcel, regardless of the number of Owners thereof. Provided, however: (i) as portions of a Development Parcel become Lots for purposes of assessments under the Declaration, votes for those portions shall be determined in accordance with the number of Lots; (ii) as portions of a Development Parcel become Apartment Units for purposes of assessments under this Declaration, votes for those portions shall be determined in accordance with the number of Apartment Units; and (iii) once a Development Parcel has been fully developed as Lots or Apartment Units in accordance with the applicable Subdivision Plan, no votes will be allocated to any remaining acreage in that Development Parcel. The determination of the time when such full development has occurred shall be in the reasonable discretion of the Declarant, during the Development Period, and thereafter in the reasonable discretion of the Board. In determining the number of votes for a Development Parcel, a partial acre equal to 0.5 acre or more shall be rounded up to the nearest whole acre, and a partial acre less than 0.5 acre shall be rounded down to the nearest whole acre, except that where the acreage is less than one (1) acre, the Development Parcel shall be allocated one (1) vote.

(3) one-fourth (1/4) vote for each Apartment Unit owned by the Class A Member; but only one-fourth (1/4) Class A Member vote is allocated to each Apartment Unit, regardless of the number of Owners thereof.

(b) **Class B.** The Class B Member is the Declarant. The number of Class B votes for portions of the Properties and Proposed Properties owned by the Class B Member shall be determined as follows: (i) for all portions of the Properties and Proposed Properties for which there are recorded plats, the Class B Member shall have ten (10) votes for each residential unit shown on the plats; (ii) for all portions of the Properties and Proposed Properties for which there are not recorded plats but for which there are one or more Subdivision Plans, the Class B Member shall have ten (10) votes for each residential unit approved under the applicable Subdivision Plans; (iii) for all portions of the Properties and Proposed Properties subject to any Subdivision Plan for which no residential units are approved, the Class B Member shall have ten (10) votes for each acre thereof; and (iv) for all portions of the Properties and Proposed Properties for which there are neither recorded plats nor Subdivision Plans, there shall be no Class B votes until a recorded plat or Subdivision Plan applicable thereto exists and, at that time, votes shall be determined in the same manner as provided in immediately preceding (i), (ii), or (iii) as applicable. When votes are allocated for acreage, a partial acre equal to 0.5 acre or more shall be rounded up to the nearest whole acre, and a partial acre less than 0.5 acre shall be rounded down to the nearest whole acre, except that where the total acreage is less than one (1) acre, it shall be allocated ten (10) votes. With respect to any portions of the Properties and Proposed Properties owned by Declarant and withdrawn from the Declaration, the number of Class B Member votes shall be reduced by the number of Class B Member votes that were allocated to the withdrawn portion of the Properties or Proposed Properties immediately prior to its withdrawal from the Declaration.

Provided, however, and notwithstanding anything to the contrary in the Declaration or any other Governing Document, with respect to the dedication, conveyance, or exchange of Common Property as described in the Declaration, at all times during the Development Period the then existing number of Class B votes shall be deemed to constitute one more vote than the minimum percentage of votes in the Association required by the Declaration or the Act or any other Legal Requirement to effect any such dedication, conveyance, or exchange of Common Property.

The Class B Membership shall terminate at the end of the Development Period, subject to reinstatement from time to time as provided in the definition of Development Period in the Declaration.

Section 3. Exercise of Voting Rights. Except as otherwise provided in the Articles, the exercise of voting rights shall be governed by the Bylaws of the Association.

Section 4. Cumulative Voting. There shall be no cumulative voting.

ARTICLE VII EXECUTIVE BOARD

The business of the Association shall be managed by an Executive Board (also referred to herein and in the Bylaws as the "Board of Directors" or the "Board"). The qualifications for serving as a director, number of directors, and the method of electing or appointing directors, shall be as provided in the Bylaws.

ARTICLE VIII EARNINGS; COMPENSATION

No part of the earnings of the Association shall inure to any Member of the Association, other than by acquiring, constructing, or providing management, maintenance, and care of Association property, or by a rebate of excess fees or assessments paid or credit against future obligations for payment of fees or assessments. No part of the earnings of the Association shall inure to the benefit of any director, officer, Architectural Review Committee member, other Board committee member, employee or agent of the Association (other than as a Member of the Association in the same manner as all other Members are benefitted), except that, unless prohibited or limited by the Act, the Nonprofit Corporation Act or Governing Documents: (i) reasonable compensation may be paid for services rendered to or for the Association by its employees and agents; (ii) payments and indemnifications may be made to and on behalf of directors, officers, Architectural Review Committee members, other Board committee members, employees and agents of the Association as allowed in one or more of the Act, the Nonprofit Corporation Act, or other Governing Documents; and (iii) any officer, director, Architectural Review Committee member, other Board committee member, employee or agent of the Association who also is an Owner as defined in the Declaration, shall have all of the rights, powers, privileges and obligations of an Owner.

ARTICLE IX EXCULPATION, IMMUNITY AND INDEMNIFICATION

Section 1. Exculpation of Directors. To the fullest extent permitted by the Nonprofit Corporation Act as it currently or hereafter exists, no person who is serving or who has served as a director of the corporation shall be liable personally for monetary damages for breach of any duty as a director. No amendment or repeal of this Section, nor the adoption of any amendment to the Articles inconsistent with this Section, shall eliminate or reduce the protection granted herein with respect to any act or matter that occurred prior to such amendment, repeal, or adoption.

Section 2. Immunity. To the fullest extent permitted by the Nonprofit Corporation Act as it currently or hereafter exists, each director and officer of the Association shall be immune

individually from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of such director or officer's service as a director or officer of the Association. No amendment or repeal of this Section, nor the adoption of any amendment to the Articles inconsistent with this Section, shall eliminate or reduce the protection granted herein with respect to any act or matter that occurred prior to such amendment, repeal, or adoption.

Section 3. Indemnification. To the fullest extent permitted by the Nonprofit Corporation Act as it currently or hereafter exists, the Association shall indemnify each Association director, officer, Architectural Review Committee member and other Board committee member (each of whom is referred to hereinafter as an "Indemnatee") as follows:

(a) The Association shall indemnify and hold harmless each Indemnatee in the event the Indemnatee is made, or threatened to be made, a party to any pending, threatened, or completed civil, criminal, administrative, investigative, or arbitrative action, suit, or proceeding, including any appeal therein and any inquiry or investigation that could lead to such action, suit or proceeding, by reason of the fact that such Indemnatee is or was a director, officer or Architectural Review Committee member or other Board committee member.

(b) The indemnification shall include all liabilities and expenses, including without limitation all attorney's fees and expenses, judgments, fines, excise taxes, and amounts paid in settlement, and all expenses incurred by the Indemnatee in enforcing the Indemnatee's rights hereunder.

(c) The Association shall pay, in advance of the final disposition of such action, suit or proceeding, each Indemnatee's reasonable expenses, including attorney's fees, incurred in defending any such action, suit, or proceeding.

(d) The foregoing rights of an Indemnatee shall inure to the benefit of the Indemnatee with respect to matters indemnified, whether or not the Indemnatee is a director, officer, Architectural Review Committee member or other Board committee member at the time such liabilities or expenses are imposed or incurred, and in the event of the Indemnatee's death shall extend to the Indemnatee's heirs and legal representative.

(e) The rights of each Indemnatee hereunder are in addition to and not exclusive of any other rights to which the Indemnatee may be entitled under any Legal Requirement, agreement, insurance policy, or otherwise.

(f) To the extent reasonably possible, prior to expending any funds of the Association for an indemnity, the Association first shall obtain and apply all available insurance proceeds toward such indemnity.

(g) No amendment or repeal of this Section, nor the adoption of any amendment to the Articles inconsistent with this Section, shall eliminate or reduce the protection granted herein with respect to any act or matter that occurred prior to such amendment, repeal, or adoption.

Section 4. Limitations. The foregoing provisions for exculpation, immunity and indemnification are for directors, officers, Architectural Review Committee members and other Association committee members acting in their capacities as such, and with respect to any such Persons who also are Owners of any part of The Properties, such provisions are not intended to and shall not exculpate, provide immunity or indemnify any of such Persons from their liabilities as Owners under the Declaration and other Governing Documents.

ARTICLE X AMENDMENT

Section 1. Amendment by Declarant. During the Declarant Control Period Declarant may unilaterally, and in its sole discretion, without the consent, approval, or joinder of any Owner, the Association, or any other Person (except to the extent that Legal Requirements may require the joinder of a governmental entity), and without any meeting of the Association, amend the Articles for any purpose that is not prohibited by the Declaration or by the Act or other Legal Requirement. Declarant may record any such amendment or may record an amended and restated version of the Articles that incorporates any such amendment. Following the end of the Declarant Control Period, during the existence of the Development Period Declarant shall continue to have the right, without the consent, approval, or joinder of any Owner, the Association, or any other Person (except to the extent that Legal Requirements may require the joinder of a governmental entity), amend any provision of the Articles to: (i) make clarifying or corrective changes not materially affecting any Owner's rights or obligations hereunder; or (ii) satisfy the requirements of FHA, VA, FNMA, OILSR or other governmental agency, Secondary Mortgage Market Agency or Institutional Lender; or (iii) establish or maintain the tax exempt status of the Association under the laws of the United States or the State of North Carolina, or (iv) amend the Articles as may be necessary to prevent it from being declared invalid under any Legal Requirement or by any court of competent jurisdiction, or to add or delete provisions to or from the Articles as may be necessary to prevent it from being declared invalid under any Legal Requirement or by any court of competent jurisdiction. Any amendment of the Articles by the Declarant shall be effective upon the later of the date of its recording in the Registry or the effective date specified therein.

Section 2. Amendment by the Members. Unless amended as allowed under Section 1 or required under Section 3 of this Article, the Articles may be amended only as follows:

(a) Unless a higher percentage or different voting requirement is specified herein or by Legal Requirements, the Articles may be amended only by (i) the written agreement or consent of those Members who have, or the affirmative vote at a meeting of the Association of those Members

who have, sixty-seven percent (67%) or more of the total number of votes allocated to the Members, and (ii) during the Development Period, with the written consent of Declarant.

(b) Written notice of an annual or special meeting of the Association at which any proposed amendment to the Articles is to be voted on, together with at least a summary description of the proposed amendment, shall be given to all Members. If the meeting for which notice has been given is adjourned, notice of the subsequent meeting shall be given as required by the Bylaws.

(c) Upon adoption of any amendment to the Articles, the Board shall cause such amendment to be executed in proper form and, as required by Legal Requirements, shall file any such amendment or an amended and restated version of the Articles that incorporates any such amendment.

Section 3. Amendment of Declaration. Upon amendment of the Declaration, the Articles shall be deemed amended as necessary to conform to the amended Declaration, and the directors and officers of the Association shall file such documents with the office of the North Carolina Secretary of State as may be reasonably required to conform the Articles to the amended Declaration.

Section 4. Prohibited Effects of Amendment. Notwithstanding the provisions of Sections 1 and 2 of this Article allowing amendments to the Articles, no amendment to the Articles, whether adopted by the Declarant, by the Association, or by the Members or any applicable group of Members of the Association, shall be effective to do or result in anything prohibited by any "Prohibited Effects of Amendment" section in the Declaration.

ARTICLE XI DISSOLUTION OF ASSOCIATION; DISTRIBUTION OF ASSETS UPON DISSOLUTION

Section 1. Duration. As provided in the Declaration, unless sooner terminated as required by Legal Requirements the Declaration shall run with and bind the Properties and each Owner, and shall inure to the benefit of the Association, and each other Owner of any portion of the Properties, and their respective heirs, successors, and assigns, from and after the recording of the Declaration in the Registry until such time as it is terminated by a written termination agreement, executed or ratified in the same manner as a deed, by those Members to whom eighty percent (80%) or more of the total votes in the Association are allocated, and also with the written consent of Declarant during the Development Period. Execution or ratification by any one of multiple Owners of a Lot is sufficient for that Lot unless, prior to the time the termination agreement is recorded in the Registry, any other Owner of that Lot files with the Association a written objection to the termination of the Declaration (in which event the vote allocated to that Lot shall be considered as not having been exercised). The termination agreement shall specify a date after which it will be void unless it is

recorded in the Registry before that date. The termination agreement may not be recorded in the Registry unless and until the requisite number of signatures have been obtained as provided herein, and it shall be effective only upon recording. If, pursuant to the termination agreement, any real estate in the Properties is to be sold following termination of the Declaration, the minimum terms of the sale shall be set forth therein.

Section 2. Dissolution of the Association. The Association shall be dissolved upon the termination of the Declaration. Provided, however, until any sale of the Common Property authorized by the termination agreement or approved by the Owners in the same manner as required for approval of the termination agreement is completed and the sale proceeds distributed, the Association shall continue in existence with all of the powers it had before termination. The Association, on behalf of the Owners, may contract for the sale of the Common Property, but the contract is not binding unless such sale has been authorized in the termination agreement or it has been approved by the Owners in the same manner as required for approval of the termination agreement. Proceeds of the sale of Common Property shall be distributed to the Owners and lienholders as their interests may appear, as provided in the termination agreement or other agreement approved by the Owners in the same manner as required for approval of the termination agreement. If the Common Property is not to be sold following termination of the Declaration, title to the Common Property vests in the Owners upon termination, as tenants in common in proportion to their respective interests as provided in the termination agreement.

Upon dissolution of the Association or upon loss of ownership of all of the Common Property by the Association for any reason whatsoever (except for exchange or dedication or conveyance of any part or all of the Common Property as allowed by the Declaration, or by reason of merger and/or consolidation with any other association as allowed by the Declaration), except as otherwise provided in the termination agreement, other agreement approved by the Owners in the same manner as required for approval of the termination agreement, or Legal Requirements (in particular, section 47F-2-118 of the Act, or any successor section of the Act), any portion of the Common Property not under the jurisdiction of and being maintained by another association substantially similar to the Association, together with all other assets of the Association, first shall be offered to the Town of Fuquay-Varina, North Carolina (or, if the Town of Fuquay-Varina refuses such offer, then to some other appropriate governmental entity or public agency as determined by the Board) to be dedicated for public use for purposes similar to those to which the Common Property and such assets were required to be devoted by the Association. If the Town of Fuquay-Varina or such other appropriate governmental entity or public agency accepts the offer of dedication, such portion of the Common Property and assets shall be conveyed by the Association to the Town of Fuquay-Varina or such other appropriate governmental entity or public agency, subject to the superior right of an Owner to an easement (if necessary) for reasonable ingress and egress to and from such Owner's Lot and the public or private street(s) on which that Lot is located, subject to all other applicable rights of way and easements, and subject to ad valorem property taxes subsequent to the date of such conveyance.

If the Town of Fuquay-Varina or such other appropriate governmental entity or public agency refuses the offer of dedication and conveyance, the Association may transfer and convey such Common Property and assets to any nonprofit corporation, association, trust or other entity which is or shall be devoted to purposes and uses that would most nearly conform to the purposes and uses to which the Common Property was required to be devoted by the Declaration, such transfer and conveyance to be made subject to the rights of Owners and the other matters set forth in the immediately preceding paragraph of this Section. If there is no nonprofit corporation, association, trust or other entity who will accept such transfer and conveyance of the Common Property and assets of the Association, then such Common Property and assets shall be distributed as provided in the plan of termination/dissolution adopted by the Association.

ARTICLE XII MISCELLANEOUS

Section 1. Titles. The titles, headings and captions which have been used throughout the Articles are for convenience only and are not to be used in construing the Articles or any part hereof, except as necessary with respect to any cross-referencing of any provisions of the Articles.

Section 2. Number and Gender. Whenever the context of the Articles requires, the singular shall include the plural and one gender shall include all.

Section 3. Severability of Provisions. If any paragraph, section, sentence, clause or phrase of the Articles shall be or become illegal, null or void for any reason or shall be held by any court of competent jurisdiction to be illegal, null or void, the remaining paragraphs, sections, sentences, clauses and phrases hereof shall continue in full force and effect and shall not be affected thereby. To the extent that any provision of the Articles is determined to be overly broad or unenforceable and a narrower or partially enforceable construction may be given to such provision without destroying its intent, then the narrower or partially enforceable provision shall be applied and, to the extent lawful, shall be enforced. It is hereby declared that said remaining paragraphs, sections, sentences, clauses and phrases would have been and are imposed irrespective of the fact that any one or more other paragraphs, sections, sentences, clauses or phrases shall become or be illegal, null or void.

Section 4. Conflicts. Whenever there exists a conflict among the Governing Documents of the Association, the provisions of the Declaration and thereafter, any applicable Supplemental Declaration or Subdivision Declaration or Commercial Declaration shall control, except as to matters of compliance with the Nonprofit Corporation Act, in which event the Articles shall control. Whenever there is a conflict between the provisions of the Articles and Bylaws, the provisions of the Articles shall control. The provisions of the Bylaws shall control over any conflicting provision of any Restrictions and Rules, Board resolutions, or Architectural Guidelines. With respect to the foregoing, specific provisions shall control general provisions, except that a construction consistent

with the Act, the Nonprofit Corporation Act and other Legal Requirements shall in all cases control over any construction inconsistent therewith. The provisions of the Act and Nonprofit Corporation Act shall in all cases control over any conflicting provisions of the Code of Ordinances of the Town of Fuquay-Varina, North Carolina. The Governing Documents shall be construed together with the construction that avoids, insofar as possible, conflicts among them.

For the purposes of this Article and any other references in the Governing Documents to similar conflicts, a "conflict" is a situation in which the provisions in question cannot be reconciled or where enforcement of one provision necessarily would prohibit enforcement of another provision - for example, where one provision allows a certain action and the other provision prohibits the same action. Two provisions that are different, but not mutually exclusive or prohibitive of each other do not constitute a conflict for the purposes of this Article.

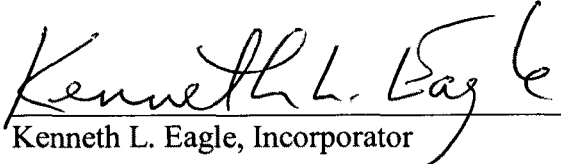
ARTICLE XIII INCORPORATOR

The name and address of the incorporator is as follows:

Kenneth L. Eagle
14600 Weston Parkway, Suite 300
Cary, North Carolina 27513

Wake County

This, the 5th day of March, 2007.


Kenneth L. Eagle, Incorporator



NORTH CAROLINA

Department of The Secretary of State

To all whom these presents shall come, Greetings:

I, **ELAINE F. MARSHALL**, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF AMENDMENT

OF

SOUTH LAKES MASTER ASSOCIATION, INC.

the original of which was filed in this office on the 28th day of March, 2011.



IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official seal at the
City of Raleigh, this 28th day of March, 2011

Elaine F. Marshall
Secretary of State

**State of North Carolina
Department of Secretary of State**

**ARTICLES OF AMENDMENT
FOR
SOUTH LAKES MASTER ASSOCIATION, INC.,
A NORTH CAROLINA NONPROFIT CORPORATION**

Pursuant to Section 55A-10-05 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following Articles of Amendment for the purpose of amending its Articles of Incorporation.

1. The name of the corporation is **"South Lakes Master Association, Inc."**
2. The text of each amendment adopted is as follows:

Article X, Section 1 of the Articles of Incorporation is rewritten to read as follows:

**"ARTICLE X
AMENDMENT**

Section 1. Amendment by Declarant. During the Development Period Declarant may unilaterally, and in its sole discretion, without the consent, approval, or joinder of any Owner, the Association, or any other Person (except to the extent that Legal Requirements may require the joinder of a governmental entity), and without any meeting of the Association, amend the Articles for any purpose that is not prohibited by the Declaration or by the Act or other Legal Requirement. Declarant may record any such amendment or may record an amended and restated version of the Articles that incorporates any such amendment. Any amendment of the Articles by the Declarant shall be effective upon the later of the date of its filing in the office of the North Carolina Secretary of State or the effective date specified therein."

3. The date of adoption of the foregoing amendment is the date of execution of these Articles of Amendment and the effective date of the foregoing amendment is the date on which it is filed in the office of the North Carolina Secretary of State.
4. The foregoing amendment was approved by South Lakes Investors LLC, the current "Declarant" under the "Master Declaration For South Lakes" recorded in the Wake County, North Carolina Registry in Book 12431, Page 1680, as amended by amendments recorded in the Wake County, North Carolina Registry in Book 12513, Page 1588 and Book 13707, Page 651, all of the foregoing documents being incorporated by reference as if fully set out herein and being referred to herein together as the "Declaration". South Lakes Investors LLC is the Declarant pursuant to an "Assignment Of Declarant Rights For South Lakes" recorded in the Wake County, North Carolina Registry in Book 14258, Page 2328. Article X of the Articles of Incorporation of the corporation, as it exists prior to the adoption of the foregoing amendment, provides that "During the Declarant Control Period Declarant may unilaterally, and in its sole discretion, without the consent, approval,

or joinder of any Owner, the Association, or any other Person (except to the extent that Legal Requirements may require the joinder of a governmental entity), and without any meeting of the Association, amend the Articles for any purpose that is not prohibited by the Declaration or by the Act or other Legal Requirement." The Declarant Control Period has not ended and the Declarant unilaterally has the right to adopt the foregoing amendment.

These Articles of Amendment are effective upon filing.

This 15th day of March, 2011.

South Lakes Master Association, Inc.

By: Karl D. Blackley
Karl D. Blackley, President