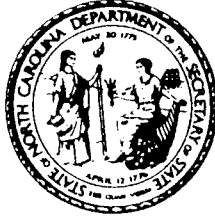


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STATE OF NORTH CAROLINA



RECORDED AND VERIFIED
MARY SUE OOTS
REGISTER OF DEEDS
NEW HANOVER CO. NC
Department of The
Secretary of State

To all whom these presents shall come, Greetings:

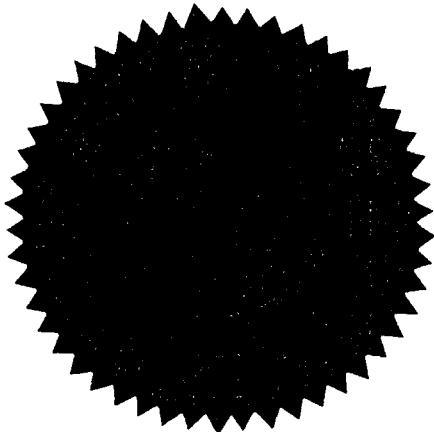
I, **Rufus L. Edmisten**, *Secretary of State of the State of North Carolina*, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION
OF
PEPPER TREE AT COVIL ESTATES HOA, INC.

RECORDED AND VERIFIED
MARY SUE OOTS
REGISTER OF DEEDS
NEW HANOVER CO. NC
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the original of which was filed in this office on the 3rd day of October, 1994.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 3rd day of October, 1994.

Rufus L. Edmisten

Secretary of State

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ARTICLES OF INCORPORATION OF

PEPPER TREE at COVIL ESTATES HOA, INC.

EFFECTIVE
RUFUS L. EDMISTEN
SECRETARY OF STATE
NORTH CAROLINA

A NONPROFIT CORPORATION

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned who is a resident of New Hanover County, North Carolina, and who is of the age of eighteen years or more does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a nonprofit corporation and does hereby certify:

ARTICLE I

The name of the corporation is PEPPER TREE at COVIL ESTATES HOA, INC., hereinafter called the Corporation or the Association.

ARTICLE II

The period of the duration of the corporation shall be perpetual.

ARTICLE III

The initial registered office of the corporation in the State of North Carolina is located at 7208 Wrightsville Avenue, Wilmington, New Hanover County, North Carolina 28403; and the name of the initial registered agent of the Corporation at such address is DALLAS L. HARRIS.

ARTICLE IV

This Corporation does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, management, preservation and architectural control of that certain property known as PEPPER TREE at COVIL ESTATES as shown and described on the plats recorded or to be recorded in the Office of the Register of Deeds of New Hanover County, North Carolina, and any additions thereto which may be brought within the jurisdiction of the corporation; and to promote the health, safety and welfare of the lot owners of PEPPER TREE at COVIL ESTATES and any additions thereto as may hereafter be brought within the jurisdiction of this corporation, and for these purposes:

1. To exercise all of the powers and privileges and to perform all of the duties and obligations of the corporation set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to all of the property therein described which is recorded or will be recorded in the Office of the Register of Deeds of New Hanover County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;
2. To 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 corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the corporation;
3. To 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

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real or personal property in connection with the affairs of the corporation;

4. To borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
5. To 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;
6. To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes;
7. To annex additional properties as provided in the Declaration; and
8. To have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Act of the State of North Carolina may now or hereafter have or exercise.

ARTICLE V

Membership: Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by the Declaration to assessment by the Corporation, including contract sellers, shall be a member of the corporation. 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 by the Declaration to assessment by the corporation.

ARTICLE VI

Voting Rights: All members, including Declarant, shall have one vote in the affairs of the Association for each membership owned. When more than one person holds an interest in any membership, the vote for such membership shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Board of Directors: The affairs of this corporation shall be managed by a Board of Directors, consisting of not less than three (3) nor more than seven (7) Directors, each of whom shall be a member of the Corporation. The directors shall be elected by the members as provided in the By-Laws of the corporation. Until the first annual meeting of members, or until their successors are otherwise selected and qualified, there shall be three (3) Directors who need not be members of the corporation and whose names and addresses are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Dallas L. Harris	7208 Wrightsville Avenue New Hanover County Wilmington, NC 28403
Wanda B. Harris	7208 Wrightsville Avenue New Hanover County Wilmington, NC 28403
Rodney Q. Harris	7208 Wrightsville Avenue New Hanover County Wilmington, NC 28403

Amendment: These Articles shall not be amended without the approval of at least two thirds (2/3) of the lot owners.

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ARTICLE VIII

Dissolution: The Corporation may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. In the event of dissolution, the residual assets of the corporation shall be turned over to one or more organizations with similar purposes or to one or more organizations which are exempt as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986.


ARTICLE IX

Incorporator: The name and address of the incorporator is Rodney Q. Harris, 7208 Wrightsville Avenue, Wilmington, New Hanover County, North Carolina 28403.

ARTICLE X

Net Earnings: No part of the net earnings of the corporation shall inure to the benefit of its members, directors, officers, or other persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes of the corporation.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the States of North Carolina, I, the undersigned being the incorporator of the corporation, have executed these Articles of Incorporation this 27th day of September, 1994.


 (SEAL)
RODNEY Q. HARRIS, INCORPORATOR

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Lisa W. Boyd, Notary Public in and for aforesaid county and state, do hereby certify that RODNEY Q. HARRIS, Incorporator, who, I am satisfied is the person named in and who executed the foregoing ARTICLES OF INCORPORATION, and I having first made known to him the contents thereof, that he acknowledged that he signed and delivered the same as his voluntary act and deed for the use and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal, this the 27th day of September, 1994.


Notary Public

My commission expires 4/1/99

(Notarial Seal)

