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FILED

3:30 P.M.

SEP 25 1995

**ARTICLES OF INCORPORATION
OF THE
CARRIAGE RUN HOMEOWNERS ASSOCIATION, INC.**

EFFECTIVE _____
RUFUS L. EDMISTEN
SECRETARY OF STATE
NORTH CAROLINA

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies as follows:

ARTICLE I

NAME

The name of the corporation is CARRIAGE RUN HOMEOWNERS ASSOCIATION, INC. (hereinafter the "**Association**").

ARTICLE II

PRINCIPAL OFFICE AND ADDRESS

The principal office of the Association is located at 3739 National Drive, Suite 101, Raleigh, Wake County, North Carolina 27162.

ARTICLE III

REGISTERED OFFICE AND INITIAL AGENT

The registered office of the Association is located at 3739 National Drive, Suite 101, Raleigh, Wake County, North Carolina 27612. The location of the registered office may be changed by a majority vote of the Board of Directors. The name of the initial registered agent at the above address is E. Scott Batchelor.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate a pecuniary gain or profit to the members thereof. The specific purposes for which the Association is formed are to own, in fee or by easement, and maintain the Common Area (as that term is defined in that certain Declaration of Covenants, Conditions and Restriction For The Carriage Run Homeowners Association, Inc., to be recorded in

the Wake County Registry, as from time to time amended, said document, together with all amendments thereto being hereinafter referred to as the "**Declaration**") with the subdivisions known as Carriage Run, and 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 the Declaration;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration;

(c) pay all expenses incurred in connection with collection of the charges and assessments set forth in subparagraph (b) above, and to pay 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 property owned by the Association;

(d) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, and, subject to the provisions of subparagraph (f) below, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(e) borrow money and, with the assent of members entitled to at least 2/3 of the votes appurtenant to each class of Lots (Class A and Class B, as defined in Article III, Section 2 of the Declaration), mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the property rights of the members as provided in Article IV of the Declaration;

(f) 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 upon by the members. No such dedication or transfer shall be effective unless an instrument has been signed by members entitled to at least 2/3 of the votes appurtenant to the Class A and Class B Lots, agreeing to such dedication, sale or transfer. Nothing herein shall be deemed to prohibit the Board of Directors of the Association, without consent of the members, from granting easements over and across the Common Area to any public agency, authority or utility such easements for installation and maintenance of sewerage, utility or drainage facilities when, in the opinion of the Board, such easements are necessary for the convenient use and enjoyment of the Properties. Notwithstanding anything herein to the contrary, the Common Area shall be preserved to the perpetual benefit of the owners of lots within Carriage Run and shall not be conveyed except to the Town of Wake Forest or another non-profit corporation organized for similar purposes;

(g) 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 consent of the Members as provided in subparagraph (f) above; and

(h) have and to exercise any and all powers, rights and privileges which corporation organized under the Non-Profit Corporation Act of the State of North Carolina by law may now or hereinafter have or exercise.

ARTICLE V

FINANCE

The Association is a non-stock corporation and no part of the profits (if any) of the Association shall inure to the pecuniary benefit of its members or to any other person.

ARTICLE VI

MEMBERSHIP AND VOTING RIGHTS

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 Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who had 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.

The voting rights of the membership shall be provided in the Declaration and By-Laws of the Association.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a board of not less than 3 directors who need not be members of the Association. The persons who are to act in the capacity of Director until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
E. Scott Batchelor	3739 National Drive, Suite 101 Raleigh, North Carolina 27612
Matthew Christiansen	3739 National Drive, Suite 101 Raleigh, North Carolina 27612
Robert W. Weintraub	3739 National Drive, Suite 101 Raleigh, North Carolina 27612

At the first annual meeting, the Members shall elect 1 director to serve for a term of 1 year, 1 director to serve for a term of 2 years, and 1 director to serve for a term of 3 years.

At each annual meeting thereafter, the Members shall elect the number of directors needed to fill the vacancy or vacancies created by the director or directors whose term(s) is(are) expiring, to serve for a term of three years (except in the case of the initial election of a director, in which case the term of that director may be shortened to provide for the staggering set forth in this Article, or in the case of the filling of a vacancy, in which case the director elected to fill the vacancy shall be elected for the unexpired term of the director whose vacancy is being filled).

The term of office of the directors shall be staggered so that, except for an election to fill a vacancy or to fill a newly-created directorship, the terms of not less than 1 nor more than 3 directors shall expire at each annual meeting. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified. Directors need not be members of the Association.

The Members of the Association may, by a majority of the votes cast at any duly called annual or special meeting of the Members at which a quorum is present, increase or decrease the number of directors of the Association, provided, however, that the number of directors may not be increased to more than 9 nor decreased to less than 3 without amendment of the By-Laws of the Association.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved only upon the signed written assent of the members entitled to at least 2/3 of the votes appurtenant to each Class A Lots and Class B Lots. 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 the 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 similar purposes. Notwithstanding anything herein to the contrary, the Common Area shall be preserved to the perpetual benefit of the owners of lots within Carriage Run and shall not be conveyed except to the Town of Wake Forest or another non-profit corporation organized for similar purposes.

ARTICLE IX

DURATION

The period of existence of this corporation is perpetual.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent of the members entitled to at least 3/4 of the entire membership.

ARTICLE XI

FHA/VA APPROVAL

As long as there is Class B membership, the following actions require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and Consolidation, dissolution, mortgaging of Common Area, dedication of or otherwise deeding of Common Area to persons other than the Association, and amendment of these Articles.

ARTICLE XII
INCORPORATOR

The name and address of the incorporator is as follows:

E Scott Batchelor

3739 National Drive, Suite 101
Raleigh, North Carolina 27612

IN WITNESS WHEREOF, I, the undersigned incorporator have hereunto set my hand and seal this 21 day of September, 1995.

E Scott Batchelor [SEAL]
[Name] INCORPORATOR

STATE OF NORTH CAROLINA

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COUNTY OF WAKE

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I Linda Simpson Dymond, a Notary Public for the County and State aforesaid, hereby certify that E. Scott Batchelor, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 21st day of September, 1995.

Linda Simpson Dymond
NOTARY PUBLIC
My Commission Expires: 2.9.96

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