

Hand: Greg Thurston

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# State of North Carolina

Department of the Secretary of State

PRESENTED FOR REGISTRATION  
MAY 1 4 20 PM '84  
JAMES W. LINDSAY  
REGISTRAR

To all to whom these presents shall come, Greeting:

I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached ( 4 sheets) to be a true copy of

ARTICLES OF INCORPORATION

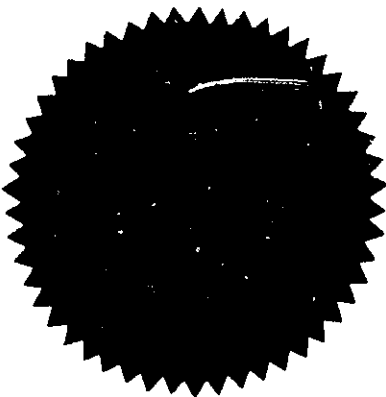
OF

STAFFORD TOWNHOMES ASSOCIATION, INC.

and the probates thereon, the original of which was filed in this office on the 1st day of May 19 84, after having been found to conform to law.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

Done in Office, at Raleigh, this 1st day of May in the year of our Lord 19 84.



*Thad Eure*  
Secretary of State  
By *[Signature]*  
Deputy Secretary of State

## ARTICLES OF INCORPORATION

OF

Mar 1 10 09 AM '84

STAFFORD TOWNHOMES ASSOCIATION, INC.

FILED  
THAD EURE  
SECRETARY OF STATE  
NORTH CAROLINA

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 STAFFORD TOWNHOMES ASSOCIATION, INC., hereinafter called the "Association".

## ARTICLE II.

## DURATION

The period of duration of the corporation is perpetual.

## ARTICLE III.

## REGISTERED OFFICE AND AGENT

The principal and registered office of the Association is located at 4921 Professional Court, in the City of Raleigh, County of Wake, State of North Carolina; and the name of its registered agent at such address is K. Neal Hunt.

## ARTICLE IV.

## POWERS

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 maintenance, preservation and architectural control of residence Lots and Common Area within that certain tract of property described as Stafford Townhomes and said other properties as may be annexed thereto, and to promote the health, safety, and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association 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 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 Wake County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein;

(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 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 property in connection with affairs of the Association;

(d) Borrow money, and with the assent of two-thirds (2/3) of the Class A Members and two-thirds (2/3) of the Class B 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, the rights of any mortgagee to be subordinate to the rights of the members established under the Declaration;

(e) Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, utility or other non-profit corporation 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 each class of members, agreeing to such dedication, sale or transfer;

(f) Participate in mergers and consolidations and with other non-profit 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 each class of members;

(g) To annex additional properties in such manner and upon such terms as set out in the Declaration;

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

This corporation is organized and shall be operated exclusively as a homeowners association and not for profit. No part of the earnings of this corporation or the funds contributed by any person or corporation shall inure to the benefit of any director, officer, or Member of the corporation, or any private individual (other than by acquiring, constructing, or providing management, maintenance, and care of Association property, and other than by a rebate of excess membership dues, fees, or assessments), except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes. In the event of the liquidation or dissolution of the corporation, either voluntary or involuntary, no director or officer of the corporation or any private individual shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the corporation from any source, after the payment of all debts and obligations of the corporation, shall be used or distributed exclusively to an entity or entities whose purposes are substantially similar to those set forth in this Article IV and within the intentment of Section 528 of the Internal Revenue Code of 1954 and the regulations thereunder as the same now exist or as they may be hereafter amended from time to time or to an appropriate public agency to be or used for purposes similar to those stated in this Article IV or to an organization which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

Anything to the contrary notwithstanding the corporation shall not possess or exercise any power or authority either, by implication, or by operation of law that will prevent it at any time from qualifying as a "Residential Real Estate Management Association" as defined in Section 528 of the Internal Revenue Code of 1954 as amended and the regulations thereunder, or shall it engage directly or indirectly in any activity which would cause the loss of such qualification or deny it such election under such section of the Internal Revenue Code.

In order to properly prosecute the objects and purposes set forth, this corporation shall have all the powers vested in corporations by laws of the State of North Carolina, Chapter 55A, Section 15, and other laws relating to corporations which may appear in the General Statutes of North Carolina, together with all amendments thereto, past and future, which powers shall include, but the inclusions of such powers shall not be deemed as exclusive of other powers vested in the corporation, the following powers:

This corporation shall have full power and authority to acquire real or personal property, tangible or intangible, by gift, contribution, bequest, devise, purchase, lease, exchange, or by any other manner, and to hold legal or equitable title to real and personal property; to borrow money, issue bonds, indentures or other evidences of indebtedness, secured or unsecured; to sell, buy, lease encumber, mortgage, pledge, donate or otherwise deal with, acquire and dispose of real and personal property, either one or both, and generally to perform all acts which may

be deemed necessary, expedient or property by the corporation for the successful carrying out of the objects and purposes for which the corporation is formed.

## ARTICLE V.

## MEMBERSHIP

Every person or entity which 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 two classes of voting memberships:

Class A: Class A 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.

Class B: The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) On August 31, 1986; or

(c) Upon the surrender of all Class B membership by the holder thereof or cancellation by the Association.

## ARTICLE VII.

## BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than three (3) or more than nine (9) 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 initial Board shall consist of three (3) directors, the names and addresses of such persons who are to act in the capacity of directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
K. Neal Hunt	4921 Professional Court Raleigh, North Carolina
Richard P. Wallace	1300 Paddock Drive Raleigh, North Carolina
Susan M. Holbrook	1005 Bullard Court Raleigh, North Carolina

Thereafter, the members and size of the Board shall be fixed in the manner prescribed in the By-laws.

ARTICLE VIII.

DISSOLUTION

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The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of 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, as more specifically provided in Article IV. 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 such similar purposes.

ARTICLE IX.

AMENDMENTS

Amendment to those Articles shall require the assent of seventy-five (75%) percent of the entire membership.

ARTICLE X.

FHA/VA/FNMA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration, the Veterans Administration, or the Federal National Mortgage Association: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this 30<sup>th</sup> day of APRIL, 1984.

James M. Day (SEAL)  
James M. Day  
107 Fayetteville St. Mall  
Raleigh, NC 27602

NORTH CAROLINA  
WAKE COUNTY

This is to certify that on the 30<sup>th</sup> day of April, 1984, before me a Notary Public, personally appeared James M. Day, 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, he did acknowledge that he signed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this 30<sup>th</sup> day of April, 1984.



Joyce M. Wilson  
NOTARY PUBLIC