

DOCUMENT #464344
DATE 10/10/89 TIME 11:31

FILED

RUFUS L. EDWINSTEN
SECRETARY OF STATE
NORTH CAROLINA

ARTICLES OF INCORPORATION

OF

PRESTON FALLS VILLAS HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A, North Carolina General Statutes, the undersigned, a resident of North Carolina and of full age, has this day voluntarily executed these Articles of Incorporation for the purpose of forming a nonprofit corporation and hereby certifies:

ARTICLE I

NAME

The name of the corporation is Preston Falls Villas Homeowners Association, Inc., hereinafter called the "Association."

ARTICLE II

OFFICE

The principal office the Association is located at 1130 Kildaire Farm Road, Suite 200, Cary, North Carolina 27511.

ARTICLE III

REGISTERED AGENT

Harold E. Russell, Jr., whose address is 4700 New Bern Avenue, Raleigh, Wake County, North Carolina 27610, is hereby appointed the initial registered agent, and the address of the registered office of the Association shall also be 4700 New Bern Avenue, Raleigh, North Carolina 27610.

ARTICLE IV

PURPOSES

The Association does not contemplate pecuniary gain or profit to its members and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential lots and Common Area within that certain tract of real property described as:

and to promote the health, safety and welfare of the residents within the above-described property, and 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 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, Wake County, North Carolina, and as set forth in the Bylaws of the Association (hereinafter called the "Bylaws"), and as same may be amended from time to time as therein provided, said Declaration and Bylaws being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration; pay all expenses in connection with and incident to the conduct of business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) borrow money, acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, mortgage, pledge or otherwise dispose of real or personal property in connection with the affairs of the Association but only to the extent the same is consistent with applicable laws and the Declaration and Bylaws;

(d) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes but only to the extent the same is consistent with applicable laws and the Declaration and Bylaws;

(e) contract for the maintenance of the Common Area of Preston Falls Villas and to delegate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration or the Bylaws to have approval of the membership; and,

(f) exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise but only to the extent the same is consistent with the Declaration and Bylaws.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record holder 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 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 (2) classes of voting membership, Class A and Class B, all as provided in the Declaration.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of three (3) to seven (7) Directors, as set forth in the Bylaws. The Directors need not be members of the Association; provided, there shall be only two (2) Directors until the first annual meeting of the members as provided by the Bylaws. The

number of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act as directors until the selection of their successors are:

| <u>NAME</u> | <u>ADDRESS</u> |
|-----------------------|--|
| G. Craven Gardner, II | 1130 Kildaire Farm Road Suite 200 Cary, North Carolina 27511 |
| Garry C. Gardner | 1130 Kildaire Farm Road Suite 200 Cary, North Carolina 27511 |
| Michael Scott Gardner | 1130 Kildaire Farm Road Suite 200 Cary, North Carolina 27511 |

At the first annual meeting the members shall elect one (1) of the directors for a term of one (1) year and up to three (3) directors for a term of two (2) years; and up to three (3) directors for a term of three (3) years, and at each annual meeting thereafter the members shall elect director(s) for a term of three (3) years. The Directors shall elect such officers of the corporation as shall be provided in the Bylaws.

Notwithstanding the foregoing, so long as the Declarant owns Class B stock in the Association, but in any event no longer than October 1, 1995, the Declarant shall have the right to designate and select a majority of persons who shall serve as members of the Board of Directors of the Association.

ARTICLE VIII

INCORPORATOR

The name and address of the incorporator is:

| <u>Name</u> | <u>Address</u> |
|------------------------|---|
| Harold E. Russell, Jr. | 4700 New Bern Avenue Raleigh, NC 27610 |

ARTICLE IX

DISSOLUTION

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. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes.

ARTICLE X

The corporation shall exist perpetually.

ARTICLE XI

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership. Notwithstanding the foregoing, no amendment for which prior approval of the Federal Housing Administration or the Department of Veterans Affairs is required, shall be effective until such approval has been received. No amendment of these Articles of Incorporation which shall abridge, amend or arrest the right of the Declarant to designate and select members of each Board of Directors of the Association, as provided in Article VII hereof, may be adopted without prior written consent of the Declarant.

ARTICLE XII

PRIOR APPROVAL

So long as the Declarant owns Class B stock in the Association, the merger, consolidation or dissolution of the Association shall require the prior

approval of the Federal Housing Administration and/or the Department of Veterans Affairs.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned have executed these Articles of Incorporation on this the 9th day of October, 1989.

INCORPORATOR

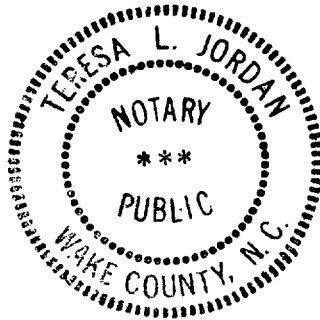
Harold E. Russell, Jr. (SEAL)
Harold E. Russell, Jr.

STATE OF NORTH CAROLINA

COUNTY OF Wake

I, Teresa L. Jordan, a Notary Public of the county and state aforesaid, certify that Harold E. Russell, Jr. personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal on this the 9th day of October, 1989.



Teresa L. Jordan
Notary Public

My Commission Expires:

10/13/93