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NORTH CAROLINA

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ARTICLES OF INCORPORATION

OF

HARRISON PLACE OWNERS ASSOCIATION

A NONPROFIT CORPORATION

The undersigned natural person of the age of 18 years or more, acting as incorporator for the purpose of creating a nonprofit corporation under the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, and entitled "Nonprofit Corporation Act," and the several amendments thereto, does hereby set forth:

1. The name of the corporation is HARRISON PLACE OWNERS ASSOCIATION, hereinafter called the "Association."

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

3. 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 management, maintenance, preservation and architectural control of Association property to include residence Lots and any Common Area within that certain tract of property described as Harrison Place Subdivision (as more fully described in the Declaration hereinafter referred to) 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.

4. The Association shall have the following general powers and any implied others arising therefrom, to be exercised in the manner provided and in conformity with applicable laws, the Declaration hereinafter referred to, the Bylaws of the Association, and these Articles:

(a) To 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 for Common Properties in Harrison Place Subdivision and Provisions of Harrison Place Owners Association, hereinafter called the "Declaration", applicable to the Association and its 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 specifically herein by reference as if fully herein set out;

(b) To fix, levy, collect and enforce payment of, 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 Association, including, but specifically not limited to, all licenses, taxes or governmental charges levied or imposed against the property of the Association.

(c) 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 real or personal property in connection with affairs of the Association;

(d) To borrow money, and with the assent of two-thirds (2/3) of each class of members entitled to vote, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, utility or other nonprofit corporation for such purposes and subject to such conditions as may be agreed to by the members entitled to vote. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members entitled to vote, agreeing to such dedication, sale or transfer;

(f) To participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes or annex additional residential property and Common Area, to the extent permitted by law and provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members entitled to vote;

(g) 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 (Chapter 55A of

the North Carolina General Statutes) by law may now or hereafter have or exercise.

This Association is organized and shall be operated exclusively as a homeowners association and not for profit. No part of the earnings of the Association or the funds contributed by any person or corporation shall inure to the benefit of any director, officer, or member of the Association, 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 as permitted without violation of the requirements of Section 528 of the Internal Revenue Code of 1986 and its related regulations), except that reasonable compensation may be paid for services rendered to or for the Association affecting one or more of its purposes. In the event of the liquidation or dissolution of the Association, either voluntary or involuntary, no member, director or officer of the Association 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 Association from any source, after the payment of all debts and obligations of the Association, shall be used or distributed exclusively to an entity or entities whose purposes are substantially similar to those set forth in this Section 3 and within the intendment of Section 528 of the Internal Revenue Code of 1986 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 used for purposes similar to those stated in this Section 3 or to an organization which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 and its regulations as they now exist or as they may hereafter be amended.

Anything to the contrary notwithstanding, the Association shall not possess or exercise any power or authority either expressly, 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 1986 as amended and the regulations thereunder, nor 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, the Association shall have all the powers vested in nonprofit corporations by the laws of the State of North Carolina, Chapter 55A, Section 15, and other laws relating to nonprofit corporations which may appear in the General Statutes of North Carolina, together with all amendments thereto, past and future.

5. The Declarant (as defined in the Declaration) and its successors and assigns, for as long as it shall be a record owner of a fee simple title to any lot within the Harrison Place Subdivision (hereinafter referred to as a "Lot") and every person or entity which is a record owner of a fee or undivided fee

interest in any Lot (hereinafter "Owner"), including contract sellers, shall be a member of the Association. Ownership of such Lot shall be the sole qualification for membership and no Owner shall have more than one membership. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The Board of Directors may make reasonable rules relating to proof of ownership of a Lot in Harrison Place Subdivision.

6. Notwithstanding Paragraph 5, the Association may also have up to sixty-one (61) associate members as provided in the Declaration. Associate membership shall be limited to persons or entities which are record owners of a fee or undivided fee interest in a lot in Homestead or Dublin Wood Subdivisions in Wake County, North Carolina. The Board of Directors in their sole discretion shall determine the criterion and qualifications for associate membership.

7. The Association shall have two classes of voting memberships:

Class A. Except as otherwise provided, Class A members shall be all Owners, with the exception of Reedy Creek Properties ("Reedy Creek"), and shall be entitled to one vote for each Lot owned in which they hold the interest required for membership. 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, and no fractional vote may be cast with respect to any Lot.

Class B. The Class B member shall be Reedy Creek, and it shall be entitled to three (3) votes for each lot owned by it. The Class B membership shall cease and be converted to Class A membership when Reedy Creek has sold and conveyed seventy-five percent (75%) of all the lots affected by the Declaration. Thereafter, Reedy Creek may be entitled to one vote per Lot owned by it.

The right of any member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and for any period during which any assessment of a member remains unpaid.

8. The Association shall have one class of non-voting membership:

Class C. The Class C members shall be the associate members as provided in Paragraph 6.

9. The directors of the Association shall be elected by the members entitled to vote in the manner provided in the Bylaws of the Association.

10. The address of the initial registered office of the Association in the State of North Carolina is SAS Circle, Post Office Box 729, Cary, Wake County, North Carolina 27512, and the name of the initial registered agent at such address is John W. Lail.

11. The affairs of this Association shall be managed by a Board of Directors of not more than five (5) directors, who need

not be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association.

At or within ten (10) days after the first annual meeting, the members entitled to vote shall elect one (1) of the directors for a term of one (1) year, two (2) of the directors for a term of two (2) years, and the remaining directors for a term of three (3) years; and at each annual meeting thereafter, the members entitled to vote shall elect a director for a term of three (3) years for each director whose term expires, except as otherwise provided in the Bylaws. All directors shall serve until their successors have been duly elected and qualified.

12. The number of directors constituting the initial Board of Directors shall be three, and the names and addresses of the persons who are to serve as directors until the first meeting of the Association or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
Greyson Quarles	SAS Circle, Cary, NC
John W. Lail	SAS Circle, Cary, NC
Emma W. Davis	SAS Circle, Cary, NC

13. The name and address of the incorporator are:

Thomas W. Steed, III
Moore & Van Allen
Post Office Box 26507
One Hannover Square, Suite 1700
Raleigh, North Carolina 27611

14. 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 entitled to vote. 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, subject to the provisions in Section 3, to be used for purposes similar to those for which this Association was created. In the event that such offer of dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust, or other organization, subject to the provisions of Section 3, to be devoted to such similar purposes.

15. Except as herein provided, any amendment to these Articles shall require the assent of members or proxies entitled to cast two-thirds (2/3) of the entire vote of the membership entitled to vote. These Articles may be amended by Reedy Creek prior to conversion of Class B to Class A membership and, after conversion, by the Board of Directors of the Association without the consent of the members, to the extent necessary and only to the extent necessary, to achieve or maintain the tax-exempt status of the Association.

IN WITNESS WHEREOF, the undersigned incorporator has hereunto
set his hand this the 29th day of June, 1988.

Thomas W. Steel, III [SEAL]

NORTH CAROLINA

WAKE COUNTY

I, Elizabeth A. Daniels, a Notary Public
of the aforesaid County and State do hereby certify
that Thomas W. Steel III personally appeared before this day
and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 29 day
of June, 1988.

Elizabeth A. Daniels
Notary Public

My Commission Expires:

1-14-93