

ARTICLES OF INCORPORATION
OF
AMHERST HOMEOWNERS ASSOCIATION, INC.

DOCUMENT #409196
DATE 07/17/87 TIME 13
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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 this Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

ARTICLE I

NAME

The name of corporation is AMHERST HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

OFFICE

The principal and registered office of the Association is located at 5106 Shamrock Drive, Raleigh, Wake County, North Carolina, 27612.

ARTICLE III

REGISTERED AGENT

Frederick A. Ferraro, whose address is 5106 Shamrock Drive, Raleigh, North Carolina 27612, is hereby appointed the initial Registered Agent of this Association.

ARTICLE IV

PURPOSES

This Association does not contemplate pecuniary gain or profit to the members thereof and no part of the Association's net income shall inure to the benefit of any of its officers, directors or members or any other private individual. The purposes and objects of the Association shall be to operate and manage the Permanent Common Open Space and the structures thereon, in Amherst Subdivision, and the utility systems serving said Subdivision, should said utilities be acquired by the Association. The Amherst Subdivision includes all that property situated, lying and being near Raleigh, Wake County, North Carolina, containing 101.6 acres, more or less, and described on plats filed and to be filed with the Wake County Planning

Department, and also described in the Declaration of Covenants, Conditions and Restrictions for the various phases of the Amherst Subdivision, recorded or to be recorded in the Wake County Registry. The Association shall also operate and manage any recreational facilities that may be constructed on said property adjoining or on nearby properties that may be added to Amherst Subdivision. Such powers shall include the following:

(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, hereinafter call the "Declaration", executed by Middle Creek Developers, Ltd. (hereinafter called "The Declarant") applicable to the property and recorded or to be recorded in the Office of the Wake County Register of Deeds 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;

(b) To fix, levy, collect and enforce payment by any lawful means of 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 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 the affairs of the Association;

(d) To borrow money, and with the assent of two-thirds (2/3) of each class of 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;

(e) To dedicate, sell or transfer all or any part of the Permanent Common Open Space to any public agency, authority, or utility 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 of each class of members, agreeing to such dedication, sale or transfer;

(f) To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or to annex additional residential property and Permanent Common Open Space, provided that any such merger, consolidation or annexation shall have the assent of two-thirds of each class of members;

(g) To have and to 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;

(h) To contract for the management of the Permanent Common Open Space, and to delegate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration to have approval of the membership.

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 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 membership:

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 Class A membership equal the total votes outstanding in Class B membership, or

(b) January 1, 1992.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors of between three (3) and nine (9) Directors, as set forth in the By-Laws. The Directors need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the three persons who are to act in the capacity of directors until the first annual meeting of the membership, or until their successors are otherwise selected are:

<u>NAME</u>	<u>ADDRESS</u>
FREDERICK A. FERRARO	5106 Shamrock Drive Raleigh, N.C. 27612
GLENN P. WARD	301 E. Durham Road Cary, N.C. 27511
FRED PALLAS	1321 Lorimer Road Raleigh, N.C. 27606

Directors shall be elected at the annual meeting of the Association.

Notwithstanding the foregoing, so long as Middle Creek Developers, Ltd., (the "Declarant") owns twenty-five percent (25%) or more of the individual lots, but in any event, not longer than January 1, 1992, the Declarant shall have the right to designate and select a majority of the persons who shall serve as members of the Board of Directors of the Association.

ARTICLE VIII

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 such similar purposes.

ARTICLE IX

The Corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the membership of each class. 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 or become effective without the prior written consent of the Declarant.

ARTICLE XI

INCORPORATOR

The name and address of the incorporator is as follows:

Frederick A. Ferraro
5106 Shamrock Drive
Raleigh, North Carolina 27612

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this 10th day of _____

July, 1987.

Frederick A. Ferraro (SEAL)
FREDERICK A. FERRARO

NORTH CAROLINA

WAKE COUNTY

This is to certify that on the 10th day of July, 1987, before me, a Notary Public, personally appeared Frederick A. Ferraro, 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, 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 notarial seal this 10th day of July, 1987.

Margaret K. Alexander
NOTARY PUBLIC

My Commission Expires:

8-8-90

