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ARTICLES OF INCORPORATION
OF
SUNSET RIDGE NORTH ASSOCIATION, INC.

EFFECTIVE
JAN 1 1997
JAMES HENDERSON
SECRETARY OF STATE
NORTH CAROLINA

In compliance with the requirements of Chapter 55 North Carolina General Statutes, the undersigned, all of whom are residents 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

The name of the corporation is SUNSET RIDGE NORTH ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

The principal and registered office of the Association is located at 5129 Salem Ridge Rd., Holly Springs, Wake County, North Carolina 27540.

ARTICLE III

John T. Coley, IV, whose address is 5129 Salem Ridge Rd., Holly Springs, Wake County, North Carolina 27540, is hereby appointed the initial registered agent of this Association. The incorporator of this Association is D.R. Bryan, Jr., whose address is 5313 Lake Edge Dr., Holly Springs, Wake County, North Carolina 27540.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

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 of maintenance, preserva-

tion and architectural control of the Lots and Common Area, if any, within certain of those tracts of property described on the maps of SUNSET RIDGE NORTH subdivision, copies of which maps will be recorded in the Office of the Register of Deeds of Wake County, North Carolina, and to promote the health, safety and welfare of the residents and property owners within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose;

(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 called the "Declaration", applicable to the property and which will 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 as if set forth at length;

(b) to 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 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 Common Area, if any, 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 (2/3) of the 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 annex additional property and Common Area, if any, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members; and,

(g) to 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.

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 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 seven (7) votes for each Lot owned and seven (7) votes for each full \$50,000.00 of assessed valuation of all undeveloped acreage subject to the Declaration, as such assessed valuation

is determined by the appropriate governmental authority for ad valorem tax purposes as of January 1 of the appropriate year. 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; provided, however, that the Class B membership shall be reinstated with all the rights, privileges, responsibilities, and voting power if, after the conversion of the Class B membership to Class A membership as hereinabove provided, additional land is annexed to the properties without the assent of the members on account of development of such additional land by Declarant, all in accordance with Article VIII, Section 2, of the Declaration; or,
- (b) on December 31, 2016.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) 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 names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

D.R. Bryan, Jr.	5313 Lake Edge Dr. Holly Springs, NC 27540
S. Elaine Hudspeth	5000 Dunwoody Trail Raleigh, NC 27606
John T. Coley, IV	5129 Salem Ridge Rd. Holly Springs, NC 27540

Notwithstanding anything contained herein to the contrary, until December 31, 2016, or until Declarant shall have conveyed seventy-five percent (75%) of the lots contained within Sunset Ridge North, Declarant or its express assignee shall have the right to designate a two-thirds (2/3) majority of the Board of Directors of the Association. Any Director so selected by Declarant need not be an owner.

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

DURATION


The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership.

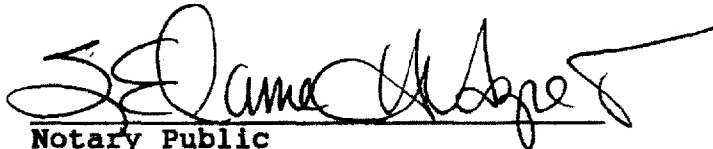
IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned incorporator has executed these Articles of Incorporation this 12th day of December, 1996.

 (SEAL)
D.R. Bryan, Jr. INCORPORATOR

NORTH CAROLINA, WAKE COUNTY

I, S. Elaine Hudspeth, Notary Public, do hereby certify that D.R. BRYAN, JR. personally appeared before me this day and acknowledged execution of the foregoing instrument. Witness my hand and official seal, this 12th day of December, 1996.

OFFICIAL SEAL
North Carolina Wake County
S. ELAINE HUDSPETH
Notary Public
My Commission Expires November 3, 2001


Notary Public
My commission expires: 11-3-01