

ARTICLES OF INCORPORATION

21 332 9018

OF

ST. CHARLES PLACE HOMEOWNERS ASSOCIATION, INC.

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

ARTICLE I

The name of the corporation is St. Charles Place Homeowners Association, Inc. hereinafter called the "Association."

ARTICLE II

The principal and registered office of the Association is located at 4102 Oakcliffe Road, Greensboro, NC 27406.

ARTICLE III

David B. Michaels, whose address is 4102 Oakcliffe Road, Greensboro, NC 27406, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The 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, Executive Board members or Members or any other private individual. The purposes and objects of the Association shall be to provide for administration, maintenance, preservation and architectural control of the Lots and Common Elements within that certain tract of property described as follows:

Lying and being in Guilford County, North Carolina, and being more particularly described on **Exhibit A** attached hereto and incorporated herein by reference or so much thereof as may be brought with the jurisdiction of the Association and any additional property which may hereafter be brought within the jurisdiction of this Association (the "Properties");

and to promote the health, safety and welfare of the residents within the above described property, in accordance with the terms and conditions of that certain Declaration of Covenants, Conditions and Restrictions for St. Charles Place (hereinafter called the "Declaration"; unless otherwise defined, capitalized terms shall have the same meaning as set forth in the Declaration),

now or hereafter made applicable to the Properties and recorded or to be recorded in the Office of the Register of Deeds of Guilford 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 and for this purpose 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.

(b) 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 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 or personal property in connection with the affairs of the Association.

(d) borrow money, and in accordance with the terms and conditions of the Declaration, 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) dedicate or transfer non-exclusive easements on, over and upon all or any part of the Common Elements for such purposes and subject to such conditions as may be agreed to by the Association's Executive Board; provided, however, no such dedication or transfer shall be effective unless an instrument executed on behalf of the Association by its duly authorized officers, agreeing to such dedication or transfer, has been recorded.

(f) pursuant to Section 47F-3-112 of the Planned Community Act and with the consent of the Members entitled to cast at least eighty percent (80%) of the votes of the Association, to dedicate or transfer fee title to all or any part of the Common Elements for such purposes and subject to such conditions as may be agreed to by the Members consenting to such dedication or transfer; provided, however, during Declarant's Development Period, Declarant must also consent to such action and, further provided that no such dedication or transfer shall interfere with or obstruct utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Elements or cause any Lot or any remaining Common Elements to fail to comply with applicable laws, regulations or ordinances.

(g) participate in mergers and consolidations with other non-profit corporations organized for the same purposes provided that any such merger or consolidation shall have the assent of the Members entitled to cast at least two-thirds (2/3) of all outstanding votes.

(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.

ARTICLE V

MEMBERSHIP

The qualification of the Members and the manner of their admission to Membership and termination of such Membership shall be as follows:

1. All Owners and Declarant shall be Members of the Association, and no other person or entity shall be entitled to Membership.

2. Membership shall be established by the acquisition of fee title to a Lot, or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the Membership of any party shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in any Lot, except that nothing herein contained shall be construed as terminating the Membership of any party who may own two or more Lots, or who may own a fee ownership interest in two or more Lots, so long as such party shall retain title to or a fee ownership interest in any Lot.

3. The interest of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Lot. The funds and assets of the Association shall belong solely to the Association subject to the limitation that the same be expended, held or used for the benefit of the Membership and for the purposes authorized herein, in the Declaration and in the Bylaws which may be hereafter adopted.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A: The Class A Members shall be every person or entity who or 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, except for Declarant or any affiliated entity, during any Period of Declarant Control. Class A Members shall be entitled to one (1) vote for each Lot owned.

Class B: Declarant shall be the Class B Members and Declarant shall be entitled to three (3) votes for each lot shown on the "Master Plan," as defined in the Declaration, as developed or to be developed as a part of St. Charles Place which has not been conveyed by Declarant or any affiliated entity, to a Class A Member. 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:

(i) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; however, the Class B membership shall be reinstated if thereafter, and before the time stated in subparagraph (b) below, the Master Plan is amended to add additional lots developed or to be developed as a part of St. Charles Place sufficient to give the Class B membership a total number of votes (with the Class B membership entitled to three (3) votes for each lot shown on the Master Plan as developed or to be developed as a part of St. Charles Place which has not been conveyed by Declarant or an affiliate of Declarant to a Class A Member) greater than those of the Class A membership; or,

(ii) ten (10) years from the date this Declaration is recorded in the Office of the Register of Deeds, Guilford County, North Carolina.

ARTICLE VII

EXECUTIVE BOARD

The affairs of this Association shall be managed by an Executive Board, the members of which need not be Members of the Association. During any Period of Declarant Control (as defined in the Declaration), Declarant shall have the right to appoint all of the members of the Executive Board. Declarant shall from time-to-time notify the Association in writing of the names and addresses of the members of the Executive Board appointed by Declarant. Except as otherwise provided in the Bylaws with respect to the filling of vacancies, any members of the Executive Board which Declarant is not entitled to designate or select shall be elected by the Members of the Association. The number of members of the first Executive Board shall be three (3). The number of Executive Board members on subsequent Boards shall be as set forth in the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of Executive Board members until the selection of their successors are:

<u>Names</u>	<u>Addresses</u>
David B. Michaels	4102 Oakcliffe Road, Greensboro, NC 27406
Homer S. Wade	4102 Oakcliffe Road, Greensboro, NC 27406
Nancy P. Michaels	4102 Oakcliffe Road, Greensboro, NC 27406

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by the Members entitled to cast not less than eighty percent (80%) of the votes of the Association; provided, however, the Association may not be dissolved without Declarant's consent during Declarant's Development Period. 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 non-profit 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 affirmative vote of the Members entitled to cast at least seventy-five percent (75%) of the votes of the Association, provided, however, no amendment purporting to revoke or curtail any right herein conferred to Declarant shall be effective unless executed by Declarant, and no amendment relating to the maintenance or ownership of any permanent detention or retention pond shall be effective unless reviewed and approved by the governmental office having jurisdiction for watershed protection.

ARTICLE XI

FEDERAL HOUSING ADMINISTRATION AND DEPARTMENT OF VETERANS AFFAIRS APPROVAL

During the Period of Declarant Control, the following actions will require the prior approval of the Federal Housing Administration ("FHA") or the Department of Veterans Affairs ("VA"), provided that FHA or VA insured loans have been obtained to purchase Lots: annexation of additional properties; mergers and consolidations; mortgaging of Common Elements; dissolution of the Association; and amendment of these Articles of Incorporation.

ARTICLE XII

INDEMNIFICATION

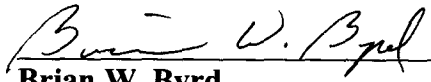
Every person who is or shall be or shall have been a member of the Executive Board or officer of the Association and his or her personal representative shall be indemnified by the Association against all costs and expenses reasonably incurred by or imposed on him or her in connection with or resulting from any action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been a member of the Executive Board or officer of the Association or any subsidiary or affiliate thereof, except in relation to such matters as to which he or she shall finally be adjudicated in such action, suit or proceeding to have acted in bad faith or to have been liable by reason of willful misconduct in the performance of his or her duty as such member of the Executive Board or officer. For purposes of this provision, "costs and expenses" shall include, without limiting the generality thereof, attorneys' fees, damages and reasonable amounts paid in settlement. Nothing contained in these Articles shall be deemed to eliminate or reduce the protection from personal liability granted to members of the Executive Board by the North Carolina Nonprofit Corporation Act and by the Articles of Incorporation of the Association.

ARTICLE XIII

INCORPORATOR

The name and address of the incorporator is as follows: **Brian W. Byrd, Suite 1400, First Union Tower, 300 North Greene Street, Greensboro, North Carolina, 27401.**

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this 27th day of November, 2001.

 (SEAL)
Brian W. Byrd
Incorporator

NORTH CAROLINA

GUILFORD COUNTY

THIS IS TO CERTIFY, that on the 27 day of November, 2001, before me, a Notary Public, personally appeared Brian W. Byrd, 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 the 27 day November, 2001.

Janis Bennett
Notary Public

My Commission Expires:

10-23-2006

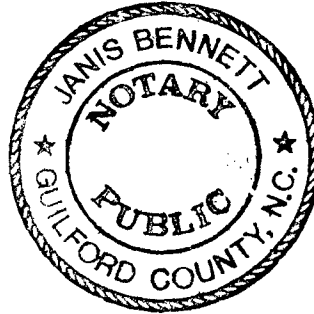


EXHIBIT A

BEGINNING at an existing iron pin (“EIP”) in the southern margin of the right of way of Whites Mill Road at the northeast corner of Lot 246, Section II, Map 1 of Oak Hollow Estates as recorded in Plat Book 59, Page 146 of the Guilford County Registry; thence along the southern margin of the right of way of Whites Mill Road, South 80°44’47” East 362.09 feet to a new iron pin (“NIP”); continuing thence along the southern margin of the right of way of Whites Mill Road, South 79°58’13” East 64.75 to an NIP; thence a new line, South 03°37’41” West 358.58 feet to an NIP; thence North 85°28’48” West 399.25 feet to an NIP in the western line of the property now or formerly owned by Gibson/Charles and is known as Tax Map #H-407-3-14; thence along the western line of said Gibson/Charles property, South 02°29’51” West 60.01 feet to an EIP (control corner) at the northwestern corner of Lot 66, Section II, Map 1 of Oak Hollow Estates, Plat Book 59, page 146, Guilford County Registry; thence along the western lines of Lots 66, 67, 68, 69, 70 and 71 of said subdivision, South 02°29’51” West 655.96 feet to an NIP at the northwestern corner of Lot 72 of said subdivision; thence along the northwestern line of said Lot 72, South 32°07’15” West 128.66 feet to an NIP in the northern line of Lot 87 of said subdivision; thence along the northern lines of said Lot 87, the following two courses and distances: South 88°27’16” West 168.73 feet and South 40°43’41” West 33.76 feet to a NIP at the northeastern corner of property now or formerly owned by Maxell C. & Mabel Johnson and is known as Tax Map #H-356-1-20; thence along the north line of the said Johnson property and the north lines of Lots 15, 14 and 13 of said subdivision, North 89°21’27” West 531.73 feet to an EIP at the northeastern corner of Lot 12 of said subdivision; thence along the eastern lines of Lots 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2 and 1 of said subdivision, North 00°31’46” West 1109.21 feet to an EIP, at the southeastern corner of Lot 246 of said subdivision ; thence along the eastern line of said Lot 246, North 10°31’47” East 201.37 feet to an EIP in the southern margin of the right of way of Whites Mill Road, the point and place of BEGINNING. This description taken from survey prepared by Borum Wade & Associates, P.A., dated September 27, 2001, entitled “Final Plat, St. Charles Place.”