

**ARTICLES OF INCORPORATION
OF
STAFFORDSHIRE TOWNHOMES HOMEOWNER'S 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 Staffordshire Townhomes Homeowner's Association, Inc., hereinafter called the "Association".

ARTICLE II

The principal and registered office of the Association is located at 2100 Brassfield Road, Greensboro, Guilford County, North Carolina, 27410.

ARTICLE III

The mailing address of the principal and registered office of the Association is 2100 Brassfield Road, Greensboro, Guilford County, North Carolina 27410.

ARTICLE VI

Dalton W. Worthington, Jr. is hereby appointed the initial registered agent of this Association. His address is 2100 Brassfield Road, Greensboro, Guilford County, North Carolina 27410.

ARTICLE V

Unless expressly noted otherwise in these articles of incorporation, capitalized terms enclosed within quotation marks appearing herein shall be deemed to be terms defined in the "Declaration" (that is itself defined hereinafter). 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", "Directors" or Members or any other private individual. The purposes and objectives of the Association shall be to provide for

administration, maintenance and preservation of the "Common Elements" and the architectural control of the "Lots" within that certain tract of land (with such development also being referred to simply as "Staffordshire Townhomes") described as follows:

Lying and being in Guilford County, North Carolina, and being more particularly described as Exhibit "A" attached hereto and incorporated herein by reference together with any land which may be added to such tract pursuant to subparagraph (g) hereinafter (all of which property is referred to hereinafter as the "Subject Property").

and to promote the health, safety and welfare of the occupants within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, 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 that certain Declaration of Covenants, Conditions and Restrictions for Staffordshire Townhomes, hereinafter called the "Declaration," applicable to the Subject Property 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;
- (b) fix, levy, collect and enforce payment of, by any lawful means, all charges, assessments and fines 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 as security for money borrowed or debts incurred;
- (d) borrow money, and with the assent of sixty-seven percent (67%) 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) dedicate, sell or transfer all or any part of the "Common Elements" to any public agency, authority, or utility (including any entity authorized by Guilford County or the City of Greensboro to supply cable television or other broad band service) for such purposes and subject to such conditions as may be agreed to by the Board of Directors. No such dedication or transfer shall be effective unless an instrument has been signed by a majority of the Board of Directors agreeing to such dedication, sale or transfer;
- (f) 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 sixty-seven percent(67%) of each class of Members;

- (g) annex additional land and/or Common Elements pursuant to the provisions of the Declaration;
- (h) have and to exercise any and all powers, rights and privileges which a corporation by law may now or hereafter have or exercise that is organized under the Non-Profit Corporation Law of the State of North Carolina, together with the powers granted to associations under the North Carolina Planned Community Act as amended from time to time; and,
- (i) properly maintain any facility located within the Common Elements designed and constructed to control storm water runoff as regulated by any governmental authority having jurisdiction of such matters.

ARTICLE VI

Every person or entity who or which is a record owner of a fee or undivided fee interest in any Lot which is subjected by covenants of record to assessment by the Association shall be a voting 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. Such membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VII

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all "Owners" (as that term is defined in the Declaration) other than Worth-Reitt Associates, LLC, and its successors and assigns ("Declarant"). Class A Members shall be entitled to vote based on one vote per Lot as specifically defined in the Declaration. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determine, but in no event shall the vote with respect to any Lot be split; the percentage allocated to each Lot must be cast together.

Class B. The Class B Member shall be the Declarant 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 on the happening of either of the following events, whichever occurs earlier:

- (a) when the Declarant has conveyed to an Owner each and every Lot

within the Subject Property; or,

(b) on December 31, 2020.

Notwithstanding anything to the contrary herein, until December 31, 2020, or until Declarant has conveyed each and every Lot within the Subject Property, Declarant shall have the right to designate and select the Board of Directors of the Association. Whenever Declarant shall be entitled to designate and select any person or persons to serve on any Board of Directors of the Association, the manner in which such person or persons shall be designated shall be as provided in these Articles of Incorporation, the Declaration and/or the By-Laws of the Association. Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director of Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by Declarant need not be the Owner of a Lot in the Subject Property. Any representative of Declarant serving on the Board of Directors shall not be required to disqualify himself from any vote upon any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest. Similarly, Declarant, as a Member of the Association, shall not be required to disqualify itself upon any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest.

ARTICLE VIII

The affairs of this Association shall be determined by a Board of three (3) to five (5) Directors as further determined by the By-Laws of the Association 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:

| <u>Name</u> | <u>Address</u> |
|----------------------------|---|
| Dalton W. Worthington, Jr. | 2100 Brassfield Road, Greensboro, NC 27410-1604 |
| James E. Reittinger | 2101 Rock Glen Lane, Greensboro, NC 27410 |
| Richard I. Shope | 426 W. Friendly Avenue, Greensboro, NC 27401 |

Subject to the right of Declarant to select and designate the Board of Directors, at the first annual meeting the Members shall select two (2) Directors for a term of two (2) years and one (1) Director for a term of one (1) year; and at each annual meeting following the expiration of such initial terms the Members shall elect Directors for a term of two (2) years.

ARTICLE IX

The affairs of the Association shall be managed by the President of the Association, assisted by the Vice President, Secretary, and Treasurer and the Assistant Secretaries, and

Assistant Treasurers, if any, subject to the directives of the Board of Directors. The President, subject to the approval of the Board of Directors, shall employ a managing agent and or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the planned community and the affairs of the Association.

ARTICLE X

The Association may be dissolved with the assent given in writing and signed by not less than eighty percent (80%) of each class of voting 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 non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XI

The corporation shall exist perpetually.

ARTICLE XII

Except as provided herein to the contrary or to amend any provision herein that requires a higher voting percentage than seventy-five percent (75%) (in which case the higher percentage must be utilized to effect an amendment thereto), amendment of these Articles shall require the assent of seventy-five percent (75%) of the Class A membership and seventy-five percent (75%) of the Class B membership so long as it continues to exist.

ARTICLE XIII

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive

of all other rights to which such Director or officer may be entitled.

ARTICLE XIV

The name and address of the incorporator is as follows:

Name

Address

Richard I. Shope

Richard I. Shope, Attorneys at Law, P.A.
426 W. Friendly Avenue
Greensboro, NC 27401

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal this 4th day of November, 2010.



Richard I. Shope
Incorporator

EXHIBIT "A"

BEGINNING at an existing iron pipe, said existing iron pipe being in the northeastern corner of property of Helen P. Hooper and Mary P. Boquist as recorded in Deed Book 1790 at Page 47 in the Office of the Register of Deeds of Guilford County North Carolina and proceeding thence South 89 degrees 14' 40" West 76.69 feet to an existing iron pipe; thence South 89 degrees 14' 40" West 123.37 feet to an existing iron pipe; thence North 17 degrees 44' 19" West 422.58 feet to an existing iron pipe in the southeastern margin of New Garden Road; thence North 37 degrees 31' 55" East 59.27 feet to a point; thence North 40 degrees 02' 20" East 275.36 feet to a point; thence along a curve to the right having a radius of 2100 feet and a length of 79.62 feet a chord bearing and distance of North 41 degrees 07' 30" East 79.62 feet to iron rod set, said iron rod set being in the westernmost corner of property of Robert J. and Betty B. Echerd as recorded in Deed Book 3043 at Page 906 in the Office of the Register of Deeds of Guilford County, North Carolina; thence with Echerd's southwestern line South 36 degrees 24' 29" East 340.83 feet to an iron rod set; thence South 05 degrees 20' 57" West 126.38 feet to a point; thence South 05 degrees 20' 57" West 97.03 feet to a point; thence North 77 degrees 04' 36" East 242.09 feet to a point; thence South 51 degrees 53' 15" East 37.12 feet to an existing iron pipe; thence South 47 degrees 41' 04" East 118.30 feet to an existing iron pipe; thence South 84 degrees 01' 47" East 102.86 feet to an existing iron pipe in the northwestern margin of the right-of-way of Swathmore Drive; thence with the northwestern margin of the right-of-way of Swathmore Drive along a curve to the left having a radius of 234.29 feet and a length of 168.22 feet a chord bearing of distance of South 19 degrees 43' 50" West 164.63 feet to an existing iron pipe; thence South 89 degrees 14' 40" West 11.46 feet to an iron rod set; thence South 00 degrees 45' 20" East 33.78 feet to an iron rod set in the line of the property of the City of Greensboro Lift Station as recorded in Deed Book 3739 at Page 2138 in the Office of the Register of Deeds of Guilford County; thence along the northern line of North Carolina Department of Transportation State Highway Project 8.2491101 as recorded in Deed Book 3710 at Page 1374 along a curve to the left having a radius of 5,854.61 feet and a length of 511.41 feet a chord bearing and distance of South 80 degrees 21' 24" West 511.25 feet to an iron rod set in the eastern line of Helen P. Hooper and Mary P. Boquist; thence with the eastern line of Hooper and Boquist North 01 degrees 19' 27" West 112.77 feet to the point and place of BEGINNING. This description taken from a survey prepared by CPT Engineering and Surveying, Inc. dated January 1, 2007.