

STATE OF
NORTH
CAROLINA



COPY

Department of The
Secretary of State

To all whom these presents shall come, Greetings:

I, **ELAINE F. MARSHALL**, *Secretary of State of the State of North Carolina*, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION
OF
FAIRLAKE COMMUNITY ASSOCIATION

the original of which was filed in this office on the 2nd day of July, 1997.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 2nd day of July, 1997.

ARTICLES OF INCORPORATION
OF
FAIRLAKE COMMUNITY ASSOCIATION

C-0431216
FILED

9:10 AM
JUL 02 1997

EFFECTIVE _____
ELAINE F. MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned, who is a resident of the State of North Carolina and who is of age, has this day voluntarily proposed to form a corporation not for profit and does hereby certify:

ARTICLE I
NAME

The name of the Corporation is FAIRLAKE COMMUNITY ASSOCIATION, hereinafter called the "Association".

ARTICLE II
INCORPORATOR

Stephen F. Kenney, 5003 Falls of Neuse Road, Raleigh, Wake County, North Carolina 27619, is the incorporator of the Association.

ARTICLE III
PRINCIPAL AND REGISTERED OFFICE

The principal and registered office of the Association is located at 5003 Falls of Neuse Road, Raleigh, Wake County, North Carolina 27619.

ARTICLE IV
REGISTERED AGENT

Stephen F. Kenney, 5003 Falls of Neuse Road, Raleigh, North Carolina 27619, is the registered agent of this Association.

ARTICLE V
PURPOSE AND POWERS OF THE ASSOCIATION

certain "Exhibit A", which is attached to the Declaration of Covenants, Conditions and Restrictions recorded at Book __, Page __, Wake County, North Carolina, Registry, and 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 or annexations thereto as may hereafter be brought within the jurisdiction of this Association for these purposes 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 applicable to the residence Lots and Common Area of the property and recorded in Book __, Page __, in the Office of the Register of Deeds of Wake County, North Carolina (hereinafter, "Declaration"), and as the same may be amended from time to time as therein provided, said Declaration being incorporated as if fully set forth herein;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments; to pay all 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 property in connection with affairs of the Association and subject to the laws of the Town of Wake Forest, North Carolina;

(d) Borrow money, and with the assent of two-thirds (2/3) of the members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for.

(e) Dedicate, sell or transfer all or any part of the Community Common Properties 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 it has been approved by two-thirds (2/3) of each class of members and an instrument properly executed by the Association has been recorded, and upon such instrument the Secretary of the Association shall certify that two-thirds (2/3) of each class of members have approved the dedication, sale or transfer and that certificate shall be conclusive as to any grantee or its assigns; provided, however, conveyances for general utility purposes as specified herein may be made without consent of the members;

(f) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or to annex additional residential property and Common Area, as provided for in the Declaration;

(g) 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.

This corporation is organized and shall be operated exclusively as a homeowners association and not for profit. No part of the earnings of this corporation or the funds contributed by any person or corporation shall inure to the benefit of any director, officer, or Member of the corporation, or any private individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Association property, and other than by a rebate of excess membership dues, fees, or assessments), except that reasonable compensation may be

Chapter 55A, and other laws relating to corporations which may appear in the General Statutes of North Carolina, together with all amendments thereto, past and future, which powers shall include, but shall not be limited by nor shall such powers be deemed as exclusive of other powers vested in the corporation, the foregoing powers stated above.

ARTICLE VI **MEMBERSHIP**

Every person or entity which is a record owner of a fee or undivided interest in any Lot, Multiple-Family Lot or Living Unit which is subject by the Declaration 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 or Living Unit which is subject to assessment by the Association. Ownership of such Living Unit or Multiple Family Lot shall be the sole qualification for membership.

ARTICLE VII **VOTING RIGHTS**

Section 1. Classes of Voting Membership. The Association shall have two classes of voting membership.

Class A. Class A members shall be all those Owners of Lots and Living Units as defined in ARTICLE V of the Declaration with the exception of the Declarant (as defined in the Declaration). Class A members shall be entitled to one vote for each Lot or Living Unit in which they hold the interest required for

persons among themselves determine; however in no event may more than one vote be cast with respect to any one Lot. Fractional voting shall be prohibited. At any meeting of the members, a representation by any of such persons that a majority of such persons have agreed as to the vote for such Living Unit shall be conclusive unless another of such persons contests such representation at such meeting prior to the casting of such vote.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration). The Class B member(s) shall be entitled to three (3) votes for each Lot or Living Unit 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 equals the total votes outstanding in Class B membership; but provided that the Class B membership shall be reinstated if thereafter, and before the time stated in Sub-paragraph (b) below, such additional lands are annexed to the Property without the assent of Class A members because of development of such additional lands by the Declarant, as provided for in Article III of the Declaration; or

(b) ten (10) years following the date of incorporation of the Association.

Section 2. Membership Sub-Classes. The Declarant shall have authority to, and is

similar type dwelling units, such as, Owners of all townhouses or a particular group of townhouses, Owners of all condominium units or a particular group of condominium units and so forth for each type of dwelling unit.

Section 3. Purpose of Sub-Classes. Sub-classes of Class A membership may be designated by the Declarant for the purpose of establishing special assessment districts among similar class members because of a need, or obligation of any such designated membership sub-classification to pay assessments which may differ from those required of other sub-classifications based on the obligation upon the Association to provide differing degrees of care and maintenance to the several sub-classification membership areas.

ARTICLE VIII **BOARD OF DIRECTORS**

The affairs of this Association shall be managed by a Board of Directors. The number of members of the first Board of Directors of the Association shall be three (3), who need not be members of the Association. Thereafter the number of directors of succeeding Board of Directors shall be as provided from time to time by the By-Laws of the Association. The name and post office address of the initial members of the Board of Directors who, subject to the provisions of the By-Laws of the Association, shall hold office until the first Annual Meeting of the Membership (or until their successors are elected and qualified) are as follows:

<u>Name</u>	<u>Address</u>
Stephen F. Kenney	5003 Falls of Neuse Road Raleigh, Wake County, NC, 27619
Dan C. Austin	5003 Falls of Neuse Road

ARTICLE IX **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, provided, any community Common Properties designated as "open space" pursuant to the ordinances of the Town of Wake Forest shall be dedicated to the Town of Wake Forest. 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 X **DURATION**

The corporation shall exist perpetually.


ARTICLE XI **AMENDMENTS**

Amendment to these Articles shall require the assent of seventy-five (75%) percent of the vote of each class of members at a duly called meeting of the Association at which a quorum is present approves the change.

ARTICLE XII **FHA/VA APPROVAL**

As long as there is a Class B membership, the following actions will require the prior written approval of the Federal Housing Administration or the Veterans Administration:
annexation of additional properties, merger and consolidation

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this 30th day of June, 1997.


By:  (SEAL)
Stephen F. Kenney **INCORPORATOR**

STATE OF NORTH CAROLINA

COUNTY OF WAKE

On this 30th day of June, 1997, personally appeared before me the said named Stephen F. Kenney, to me known and known to me to be the person described in and who before me executed the foregoing instrument as incorporator of Fairlake Community Association, Inc. and he acknowledged that he executed the same, and being duly sworn by me, made oath that the statements in the foregoing instrument are true and made on behalf of Fairlake Community Association, Inc.

(SEAL)


Notary Public

My commission expires 4-7-2002

