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STATE OF NORTH CAROLINA
DEPARTMENT OF THE SECRETARY OF STATE

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EFFECTIVE:
RUFUS L. EDMISTEN
SECRETARY OF STATE
NORTH CAROLINA

ARTICLES OF INCORPORATION

OF

HADDON HALL COMMUNITY ASSOCIATION, INC.

(A NONPROFIT CORPORATION)

The undersigned, being a natural person of the age of eighteen years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a nonprofit corporation under the "Nonprofit Corporation Act" contained in Chapter 55A of the North Carolina General Statutes:

1. The name of the corporation is HADDON HALL COMMUNITY ASSOCIATION, INC., hereinafter referred to as the "Association".
2. The period of duration of the Association shall be perpetual.
3. The purposes for which the Association is organized are as follows:
 - a. The Association is organized for the purpose of engaging in any lawful act or activity for which corporations may be organized under Chapter 55A of the North Carolina General Statutes, including, without limitation, operating as a property owner's association;
 - b. The Association is specifically organized as the "Association" pursuant to the provisions of that certain Declaration Of Covenants, Conditions And Restrictions For Haddon Hall Subdivision (the "Declaration"), recorded in the Wake County, North Carolina Registry in Book 6495, Page 0232 (and including all duly adopted amendments and supplemental declarations thereto), said Declaration being incorporated by reference as if fully set out herein. The Association shall have all of the rights, powers, duties and obligations conferred upon it by the provisions of the Declaration. As set forth in the Declaration, the provisions thereof control over any conflicting provisions contained in these Articles of Incorporation;

- c. The Association may fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration, and may 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;
 - d. The Association may 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 and personal property in connection with the affairs of the Association and as provided in the Declaration;
 - e. The Association may 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;
 - f. The Association may dedicate, sell or transfer all or any part of the Common Area (as defined in the Declaration) to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the members. No such dedication or transfer it shall have been approved by the affirmative vote of two-thirds (2/3) of each class of members as provided in the Declaration;
 - g. The Association may participate in mergers and consolidations with other nonprofit corporations as provided in the Declaration and in accordance with Chapter 55A of the North Carolina General Statutes (or any successor statute).
4. As set forth in the Declaration, the Association shall have the following classes of members:
- a. Class A Members, consisting of the Owners of all Lots, excluding the Declarant until such time as the Declarant's Class B membership is converted to a Class A membership. Class A membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association; and
 - b. Class B Member, which shall consist of the Declarant.
 - c. such other members, if any, as shall be established pursuant to the terms of the Declaration.

5. No part of the earnings of the Association shall inure to the benefit of any director or officer of the Association or any private person, except that reasonable compensation may be paid for services rendered to or for the Association and payments may be made as allowed in the Declaration. No director or officer of the Association, nor any private person, shall be entitled to share in the distributions of any of the assets of the Association upon dissolution.

6. The street and mailing address and county of the initial registered office of the Association is:

100 Chalon Drive
Cary, NC 27511

Wake County

The name of the initial registered agent of the Association at the foregoing address is Memory W. Strong.

7. The powers of the Association shall be exercised by a Board of Directors of not less than three (3) persons, the exact number of directors and their method of election to be as established in the Bylaws of the Association. The number of directors constituting the initial board of directors shall be three (3), and the names and addresses of the initial directors who are to serve until the first meeting of the Association, or until the selection of their successors, are:

<u>Name</u>	<u>Street Address</u>	<u>City or Town, State, Zip</u>
Arthur H. Steckler	100 Chalon Drive	Cary, NC 27513
Peter Veres	9500 Meilleur, Suite 250	Montreal, Quebec, Canada H2N2B7
Memory W. Strong	100 Chalon Drive	Cary, NC 27513

8. To the fullest extent permitted by the North Carolina Nonprofit Corporation Act as it currently exists or may hereafter be amended, no person who is serving or who has served as a director of the corporation shall be liable personally to the corporation or any of its Members for monetary damages for breach of any duty as a director. No elimination or repeal of this article, nor the adoption of any provision to these Articles of Incorporation inconsistent with this article, shall eliminate or reduce the protection granted herein to a director with respect to any matter that occurred prior to such amendment, repeal or adoption.

9. The name and address of the incorporator is as follows:

Kenneth L. Eagle
1003 High House Road, Suite 106
Cary, North Carolina 27513

Wake County

10. Dissolution.

The Association shall be dissolved upon the termination of the Declaration, or upon the written assent given in writing and signed by not less than two-thirds (2/3) of the Members of each class of membership, or upon such more restrictive or additional conditions and in such manner as otherwise provided by the laws of the State of North Carolina. Upon dissolution or insolvency of the Association or upon loss of ownership of the Common Area (once such ownership has been acquired) by the Association for any reason whatsoever (except for exchange or dedication or conveyance of any part or all of the Common Area as allowed by the Declaration or by reason of merger and/or consolidation with any other association as allowed by the Declaration), any portion of the Common Area not under the jurisdiction of and being maintained by another association substantially similar to the Association, together with all other assets of the Association, shall be offered to the Town of Cary, North Carolina, or to some other appropriate governmental entity or public agency (as determined by the Board) to be dedicated for public use for purposes similar to those to which the Common Area and such assets were required to be devoted by the Association. If the Town of Cary or such other appropriate governmental entity or public agency accepts the offer of dedication, such portion of the Common Area and assets shall be conveyed by the Association to the Town of Cary or such other appropriate governmental entity or public agency, subject to the superior right of the Owner of each Lot to an easement (if necessary) for reasonable ingress and egress to and from such Owner's Lot and the public or private street(s) on which such Lot is located, and subject to all other applicable rights of way and easements and subject to ad valorem property taxes subsequent to the date of such conveyance.

In the event that the Town of Cary or such other appropriate governmental entity or public agency refuses the offer of dedication and conveyance, the Association may transfer and convey such Common Area and assets to any nonprofit corporation, association, trust or other entity which is or shall be devoted to purposes and uses that would most nearly conform to the purposes and uses to which the Common Area was required to be devoted by the Declaration, such conveyance to be made subject to the rights of Owners and other matters set forth in the immediately preceding paragraph.


11. Additional Provisions.

a. Amendment of these Articles of Incorporation shall require the affirmative vote of at least seventy-five percent (75%) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a duly called annual or special meeting of the Association at which a quorum is present, or, in lieu of such meeting, by the written consent of seventy-five percent (75%) or more of each class of members. Provided, however, and notwithstanding the foregoing, the Declarant, as that term is defined in the Declaration, may at any time and from time to time amend these Articles of Incorporation without obtaining the consent or approval of the members or of any

other person or entity if such amendment is necessary for any one or more of the following purposes: to correct an obvious typographical error; to cause these Articles of Incorporation to comply with the requirements of FHA (Federal Housing Administration), VA (Veterans Administration), Fannie Mae (Federal National Mortgage Administration), Farmers Home Administration, Government National Mortgage Association, any other public or private secondary mortgage market entity participating in purchasing, insuring or guaranteeing mortgages or deeds of trust; Office Of Interstate Land Sales Registration of the Department Of Housing And Urban Development (OILSR); or as may be necessary to establish or maintain the tax exempt status of the Association under the laws of the United States or the State of North Carolina.

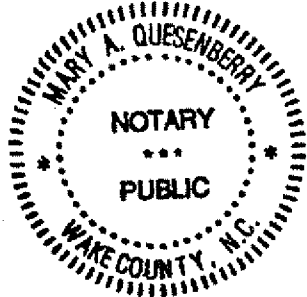
b. As long as there is a Class B Membership and Declarant desires to qualify parts or all of the Property (as defined in the Declaration) for FHA or VA approvals, the following actions shall require the approval of the Federal Housing Administration (FHA) or Veterans Administration (VA), whichever is applicable: (i) annexation of Additional Property; (ii) amendment of these Articles; (iii) mergers and consolidations involving the Association; (iv) mortgaging of Common Area; (v) dedication of Common Area; (vi) transfer of title to the Common Area to another association; (vii) exchange of Common Area; (viii) dissolution of these Articles or the Association.

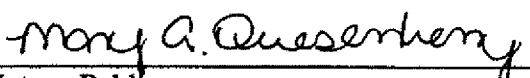
IN TESTIMONY WHEREOF, I have hereunto set my hand, this 12th day of July, 1995.


Kenneth L. Eagle
INCORPORATOR

State of North Carolina, County of Wake

This is to certify that on the 12th day of July, 1995, before me, a Notary Public of the County and State aforesaid, personally appeared Kenneth L. Eagle, who, I am satisfied, is the person named as the incorporator 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 same as his voluntary act and deed for the uses and purposes therein expressed. In Testimony Whereof, I have hereunto set my hand and official stamp or seal, this 12th day of July, 1995.




Notary Public
My Commission Expires: 1-22-99