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ARTICLES OF INCORPORATION

OF

EFFECTIVE  
ELAINE F. MARSHALL  
SECRETARY OF STATE

SOMMERSBY AT STONEY CREEK HOMEOWNERS ASSOCIATION

In compliance with the requirements of Chapter 55A 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

NAME

The name of the corporation is **SOMMERSBY AT STONEY CREEK HOMEOWNERS ASSOCIATION**, hereinafter called the "Association."

ARTICLE II

REGISTERED OFFICE AND INITIAL AGENT

The principal office and the office of the registered agent of the Association is located at, 324 West Wendover Avenue, Suite 135, Greensboro, North Carolina 27408. The location of the registered office may be changed by a majority vote of the Board of Directors. The name of the initial registered agent at the above address is **PAUL HOLST**. The principal office and the office of the registered agent is located in Guilford County, North Carolina.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate a pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation, and architectural control of the residence Lots and Common Area within that certain tract of property described on EXHIBIT A attached hereto and incorporated herein by reference, and to promote the health, safety, and welfare of the residents 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 recorded in or to be recorded in Guilford County Public Registry, applicable to the above described property, as the same may be amended from time to time, said Declaration being incorporated herein as if set forth at length;

(b) 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) 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 with the assent of members entitled to at least two-thirds (2/3) of the votes appurtenant to each Class A Lot and Class B Lot, mortgage, pledge, deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the property rights of the members of the Association, as provided in Article III of the Declaration;

(e) dedicate, sell, or transfer all or any part of the Common Area any public agency, authority, 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 members entitled to at least two-thirds (2/3) of the votes appurtenant to each Class A Lot and Class B Lot, agreeing to such dedication, sale, or transfer;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation, or annexation shall have the consent of the members as provided in paragraph (d) above; and

(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.

## ARTICLE IV

### FINANCE

This corporation is a non-stock corporation and no part of the profits (if any) of the corporation shall inure to the pecuniary benefit of its members or to any other person.

## 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 the 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 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 three (3) votes for each Lot 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 the Class A membership equal the total votes outstanding in the Class B membership; or

(b) On August 1, 2001.

## ARTICLE VII

### BOARD OF DIRECTORS

The affairs of this Association shall be managed by an initial Board of six (6) Directors who need not be members of the Association. The number of Directors may be changed by amendment of the Bylaws 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>ADDRESSES</u>
Bruno A. Pasquinelli	915 W. 175th Street Homewood, Illinois 60430
Michael Hanberry	9305-L Monroe Road Charlotte, North Carolina 28270
Sandra Petrea	9305-L Monroe Road Charlotte, North Carolina 28270
Paul Holst	324 West Wendover Ave., Suite 135 Greensboro, North Carolina 27408
Anthony Pasquinelli	915 W. 175th Street Homewood, Illinois 60430
Christine Pasquinelli	10401 North Meridian, Suite 300 Indianapolis, Indiana 46290

At the first annual meeting, the members shall elect three (3) Directors for a term of one year and three (3) Directors for a term of two years, and at each annual meeting thereafter, the members shall elect for a term of two (2) years the number of Directors whose terms are expiring.

## ARTICLE VIII

### DISSOLUTION

The Association may be dissolved only upon the signed written assent of the members entitled to not less than three-fourths (3/4) of the votes appurtenant to each Class A and Class B Lot. 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 credited. 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 period of existence of this corporation is unlimited.

## **ARTICLE X**

### **AMENDMENTS**

Amendment to these Articles shall require the assent of the members entitled to at least three-fourths (3/4) of the entire vote of the membership.

## **ARTICLE XI**

### **FHA/VA APPROVAL**

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, mergers and consolidations, mortgaging of Common Areas, dedication of Common Areas, and dissolution and amendment of the Articles.