

**ARTICLES OF INCORPORATION
OF
WATERFORD WEST COMMUNITY ASSOCIATION, INC.**

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

The name of the corporation is Waterford West Community Association, Inc., hereinafter called the "Association".

ARTICLE II

The principal and registered office of the Association is located at 1608 Thames Court, Elon, Alamance County, North Carolina, 27244.

ARTICLE III

Wade Williamson, whose address is 1608 Thames Court, Elon, North Carolina, 27244, 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 Area within that certain tract of property described as follows:

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 Waterford West (hereinafter called the "Declaration"); unless otherwise defined,

- (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 Area 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 47E-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 Area for such purposes and subject to such conditions as may be agreed to by the Members consenting to such dedication or transfer; provided, however, for so long as Declarant (as defined in the Declaration) or any affiliated entity shall own any portion of the Properties or shall have the right to annex additional properties pursuant to Article XI, Section 4 of the Declaration, 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 Area or cause any Lot or any remaining Common Area 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 shall be Members of the Corporation, 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 Corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Lot. The funds and assets of the Corporation shall belong solely to the Corporation 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 Waterford West 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 Waterford West 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 Waterford West 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) twenty (20) years from the date this Declaration is recorded in the Office of the Register of Deeds, Alamance County, North Carolina.

ARTICLE VII EXECUTIVE BOARD

The affairs of this Association shall be managed by an Executive Board who 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:

Names	Addresses
Wade Williamson, Jr.	1508 Thames Court Elon, NC 27244
Linda B. Williamson	1508 Thames Court Elon, NC 27244
Kristin W. Ball	1508 Thames Court Elon, NC 27244

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 for so long as Declarant or any affiliated entity owns any Lot or may annex Additional Property pursuant to the provisions set forth in the Declaration. 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 XII
INCORPORATOR**

The name and address of the incorporator is as follows: Sharon J. Dent, Wishart, Norris, Henninger & Pittman, P.A., Post Office Box 1998, Burlington, NC 27216-1998.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this 14th day of December, 2007.



SHARON J. DENT (SEAL)
Incorporator

EXHIBIT A**TRACT ONE:**

That certain tract or parcel of land lying partially within Rock Creek Township, Guilford County, North Carolina and partially within Boone Station Township, Alamance County, North Carolina and adjoining the right of way of US Highway 70, Parcels B and C, as shown upon the map hereinafter referenced, the lands of Priscilla J. Buckaloo as described in those deeds recorded in Deed Book 1389, Page 460 and Deed Book 445, Page 25 of the Guilford and Alamance County Registries, respectively, and being more particularly described as follows:

BEGINNING at an existing iron pin lying in the centerline of the right of way of US Highway 70 and marking the northern corner of the lands of Priscilla J. Buckaloo; thence leaving the northern corner of the lands of Priscilla J. Buckaloo and proceeding along and with the centerline of US Highway 70, North $70^{\circ} 17' 33''$ East 419.55 feet to an existing iron pipe; thence, North $81^{\circ} 11' 15''$ East 168.66 feet to a new iron pipe and crossing the approximate location of the Guilford/Alamance County line; thence, North $88^{\circ} 34' 09''$ East 204.91 feet to an existing iron pipe; thence, South $88^{\circ} 32' 30''$ East 15.01 feet to an existing iron pipe; thence, South $84^{\circ} 44' 30''$ East 100 feet to an existing iron pipe; thence, South $82^{\circ} 28' 30''$ East 211.74 feet to an existing iron pipe; thence, South $82^{\circ} 08' 06''$ East 433.47 feet to a calculated point marking the northwestern corner of Parcel B as shown on the map hereinafter referenced; thence proceeding along and with the western line of Parcel B as shown upon the map hereinafter referenced along a curve to the right having a radius of 802.16 feet and a chord bearing and distance of South $22^{\circ} 53' 13''$ West 363.81 feet to a calculated point; thence proceeding along a curve to the left having a radius of 921.11 feet and a chord bearing and distance of South $23^{\circ} 44' 37''$ West 390.89 feet to a calculated point; thence, South $11^{\circ} 29' 35''$ West 116.92 feet to a calculated point marking the northwestern corner of Parcel C as shown upon the plat hereinafter referenced; thence proceeding along and with the western line of Parcel C as shown upon the plat hereinafter referenced, South $11^{\circ} 29' 35''$ West 147.43 feet to a calculated point; thence proceeding along a curve to the right having a radius of 830 feet and a chord bearing and distance of South $13^{\circ} 20' 33''$ West 53.57 feet to a calculated point; thence, South $15^{\circ} 11' 31''$ West 257.02 feet to a calculated point; thence proceeding along a curve to the right having a radius of 580.9 feet and chord bearing and distance of South $13^{\circ} 55' 05''$ West 25.83 feet to a calculated point in the northern line of Parcel C as shown on the map hereinafter referenced; thence proceeding along and with the northern line of Parcel C as shown upon the map hereinafter referenced, North $77^{\circ} 21' 22''$ West 40.61 feet to an existing iron pin marking the eastern corner of Priscilla J. Buckaloo; thence proceeding along and with the eastern line of Priscilla J. Buckaloo, North $41^{\circ} 11' 01''$ West 400 feet to an existing iron pin; thence, North $41^{\circ} 11' 01''$ West 401.68 feet to an existing iron pin; thence, North $41^{\circ} 12' 51''$ West 298.07 feet to an existing iron pin and crossing the approximate location of the Guilford/Alamance County line; thence, North $41^{\circ} 09' 11''$ West 454.43 feet to an existing iron pin lying in the southern margin of the right of way of US Highway 70; thence, North $41^{\circ} 12' 45''$ West 30.30 feet to the point and place of BEGINNING and containing 24.43 acres, more or less, and BEING ALL OF "PARCEL A" as shown on that unrecorded map entitled "Exhibit Map For Wade Williamson 'Boone Property'," prepared by Alley, Williams, Carmen & King, Inc., Engineers and Architects,