

Prepared by & Made

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SECRETARY OF STATE  
NORTH CAROLINA

ARTICLES OF INCORPORATION

OF

THE VILLAGES OF CORNWALLIS OWNERS ASSOCIATION, INC.

In compliance with the requirements of the laws of the State of North Carolina, the undersigned, a resident of Wake County, North Carolina, and of full age, does this day form a corporation not for profit and does hereby certify:

ARTICLE I

The name of the corporation is THE VILLAGES OF CORNWALLIS OWNERS ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

The principal and initial registered office of the Association is located at 4904 Water's Edge Drive, Raleigh, Wake County, North Carolina 27606.

ARTICLE III

J. R. Adams, whose address is 4904 Water's Edge Drive, Raleigh, North Carolina 27606, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate 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 known as The Villages of Cornwallis, being more particularly described on Exhibit A attached hereto, and any other properties which may be subsequently annexed thereto pursuant to the Villages Declaration, and to promote the health, safety and welfare of the residents within the above described property. The Association shall have the following general powers and any other impliedly arising therefrom, to be exercised in the manner provided and in conformity with applicable laws, the Declaration hereinafter referred to, the Bylaws of the Association, and these Articles:

(a) To 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 of The Villages of Cornwallis, hereinafter called the "Villages Declaration", applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of Durham County, North Carolina, and as the same may be amended from time to time as therein provided, said Villages Declaration being incorporated herein as if set forth at length;

(b) To exercise all the powers and privileges and to perform all the duties and obligations of any Subdivision Association within the Villages of Cornwallis, which in the opinion of the Board of the Villages Association is failing to perform and properly execute its duties.

(c) To fix, levy, collect and enforce payments by any lawful means, all charges or assessments pursuant to terms of the Villages 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, subject always to the provisions and requirements of the Villages Declaration;

(d) To 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, subject always to the provisions and requirements of the Declaration and limitations imposed by law.

(e) To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject always to the provisions and requirements of the Villages Declaration; and

(f) To 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

Each residential subdivision of the Villages of Cornwallis for which an owner's association has been incorporated and for which a part of the subdivision has been made subject to the Declaration of Covenants and Restrictions of The Villages of Cornwallis recorded in the Durham County Registry shall be a member of the Villages Association. The Villages Association shall be governed by a Board of Directors made up of representatives from each member subdivision. The number of Board members from each subdivision, their selection, qualification, and voting power shall be as determined by the Bylaws of the Association.

ARTICLE VI

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than two (2) nor more than a number equal to two Directors for each Member Association, 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 and qualification of their successors are:

NAME

ADDRESS

J. R. Adams

4904 Water's Edge Drive  
Raleigh, N.C. 27606

James R. Whited, III      4904 Water's Edge Drive  
Raleigh, N.C. 27606

Additional directors, term of office, replacement and removal of Directors shall be as specified in the Bylaws of the Association.

#### ARTICLE VII

##### MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes.

#### ARTICLE VIII

##### AUTHORITY TO MORTGAGE

The Association shall have the power to borrow money for the purpose of improving its common area and facilities and in aid thereof to mortgage its common area, or any portion thereof, provided the rights of such mortgage in said Properties shall be subordinate to the rights of owners of Lots in the Villages of Cornwallis.

#### ARTICLE IX

##### AUTHORITY TO DEDICATE

The Association shall have power to dedicate, sell or transfer all or any part of its common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

## ARTICLE X

### EXCHANGE OF COMMON AREA

The Association, acting through its Board, from time to time may exchange with Declarant or any Owner in the Villages of Cornwallis a portion of the Common Area for a portion of the real property owned by such member within The Villages of Cornwallis Subdivision, provided that the real property acquired by the Association in the exchange: (a) is free and clear of all encumbrances except the Villages and Subdivision Declarations, and easements for drainage, utilities, and sewers; (b) is contiguous to other portions of the Common Area; and (c) has approximately the same area and utility as the portion of the Common Area exchanged. The real property so acquired by the Association shall be a part of the Common Area, and, without further act of the Association or membership, shall be released from any provisions of the Villages Declaration except those applicable to the Village Common Area. The portion of the Common Area so acquired by Declarant or a member, without further act of the Association or membership, shall cease to be Common Area and shall be subject to those provisions of the Village Declaration that were applicable to the real property conveyed to the Association by the member.

## ARTICLE XI

Actions contemplated under Articles VII, VIII, IX and X above shall not be taken until the following two steps are met (Provided that actions covered by Article V, Section

1(d) of the Villages Declaration, shall not require these steps):

(a) Board members entitled to cast three-fourths (3/4) of all the votes of the Board of Directors have voted for such action at a meeting duly called for said purpose, notice of which was sent to every board member not less than fifteen (15) nor more than thirty (30) days in advance of the meeting.

(b) Owners of Lots owning two-thirds (2/3) of the Lots in the Villages of Cornwallis other than those owned by Declarant, have approved the action in writing.

The instrument effecting such merger, consolidation, dedication, conveyance or mortgage shall be sufficient if executed by appropriate officers of the Villages Association and contain a recital of the above provisions, and that they have been complied with.

## ARTICLE XII

### DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by lot owners in The Village of Cornwallis who own not less than seventy (70%) of the Lots in The Village of Cornwallis other than those owned by Declarant. Upon dissolution of the Association, a dedication of the Common Areas as they then exist for public use for purposes as similar to those to which they were required to be devoted by the Association, shall be offered to the appropriate unit of local government and the areas

thus dedicated shall be conveyed to the local government unit and the areas thus dedicated shall be conveyed to the local governmental unit, provided that such dedication shall be subject to the superior right of the owner of each Lot to an easement for reasonable ingress and egress between his Lot and the public street and for reasonable off-street parking area to accompany his Lot; and provided further, that the Association may in its discretion designate the boundaries of said easement for off-street parking and said area for ingress and egress which shall accompany each Lot. In the event that the local governmental unit refuses to accept such dedication and conveyance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association. This Corporation shall have no capital stock. In the event of dissolution, no member, director or officer of the Corporation or any private individual shall be entitled to share in the distribution of the assets of this Corporation.

#### ARTICLE XIII

##### DURATION

The corporation shall exist perpetually.



## ARTICLE XIV

### AMENDMENTS

Any amendment of these Articles shall require the assent of Lot Owners or their proxies who own 66-2/3% of the Lots.

Furthermore, the Declarant, for so long as it controls the Board, and thereafter, the Board of Directors, may amend these Articles without the consent of the owners and hereby reserves the right to act on behalf of the owners to conform these Articles to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any units therein for mortgage or improvement loans made, guaranteed or insured by a governmental agency, including, without limitation, Veterans Administration, Federal Housing Administration, Federal National Mortgage Association, Housing and Urban Development and Federal Home Loan Mortgage Corporation, or to comply with the requirements of law or regulations of any governmental corporation or agency regarding purchase of mortgage interests by such agency. A letter from any such agency stating that a change is desired or necessary in order to qualify the Property or any units for loans eligible to be guaranteed by, insured by or purchased by such agency, shall be sufficient authority for the amendment of these Articles.

Such amendment shall be executed in the name of the Association by the President (or Vice-President) and by

the Secretary (or Assistant Secretary) of the Association and recorded in the Office of the Register of Deeds of Durham County. No such amendment shall be effective until recorded as aforesaid.

#### ARTICLE XV

##### FHA/VA APPROVAL

Notwithstanding any provisions in this instrument to the contrary, as long as Declarant owns at least 25% of the Lots covered by the Declaration, and if Declarant desires to qualify sections of this subdivision for Federal Housing Administration or Veterans Administration approval (but not otherwise), the following actions will require the prior approval of Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Areas, exchange of Common Areas, amendment of these Articles of Incorporation, mergers and consolidations, mortgage of Common Area and dissolution.

#### ARTICLE XVI

The name and address of the incorporator is J. R. Adams, 4904 Water's Edge Drive, Raleigh, North Carolina 27506.

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 the 16th day of January,  
1986.

  
\_\_\_\_\_  
J. R. Adams (SEAL)

NORTH CAROLINA

DURHAM COUNTY

I, the undersigned, a Notary Public in and for  
said State and County do hereby certify that J. R. ADAMS  
personally appeared before me this day and acknowledged the  
due execution of the foregoing instrument.

WITNESS my hand and notarial seal this the 16th  
day of January, 1986.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

7-2-86

bkp/dhb9

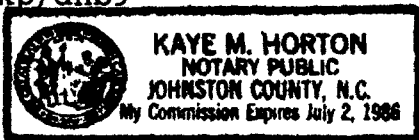


EXHIBIT A

Approximately 74.306 Acres, The Villages of Cornwallis

BEGINNING at a point where the northeastern line of a 40-foot City of Durham sanitary sewer easement recorded in Plat Book 93, Page 138 of the Durham County Registry intersects the northwest line of the property now or formerly belonging to James E. Stoval; running thence with the line of James E. Stoval the following courses and distances: South  $53^{\circ} 30' 36''$  West 333.39 feet to a point, South  $04^{\circ} 05' 52''$  West 549.57 feet to a point, a common corner with property now or formerly belonging to Fletcher R. Chambers; thence with the western line of Fletcher R. Chambers South  $04^{\circ} 10' 27''$  West 1269.93 feet to a point in the northern line of property now or formerly belonging to Home Savings and Loan; thence with the northern line of Home Savings and Loan North  $86^{\circ} 22' 31''$  West 1104.26 feet to a point in the eastern line of property now or formerly belonging to Katherine C. Bell; thence with the eastern line of Katherine C. Bell North  $00^{\circ} 46' 49''$  East 715.07 feet to a point, a common corner with property now or formerly belonging to Willie Bracey; thence with the eastern line of Willie Bracey North  $01^{\circ} 13' 18''$  East 482.63 feet to a point, a common corner with property now or formerly belonging to Marvin O. Roberts; thence with the eastern line of Marvin O. Roberts and property now or formerly belonging to Mary Spence North  $00^{\circ} 00' 21''$  West 1202.56 feet to a point, a common corner with property now or formerly belonging to Calvin Shaw; thence with the line of Calvin Shaw the following courses and distances: South  $87^{\circ} 07' 49''$  East 460 feet to a point, North  $05^{\circ} 27' 52''$  East 561.86 feet to a point, North  $24^{\circ} 57' 52''$  East 299.8 feet to a point marking the centerline of said 40-foot City of Durham sanitary sewer easement and the southwest line of land belonging to J. R. Adams; thence with the centerline of said 40-foot City of Durham sanitary sewer easement and the southwest line of J. R. Adams the following courses and distances: South  $32^{\circ} 21' 14''$  East 159.33 feet to a point, South  $37^{\circ} 00' 44''$  East 435.20 feet to a point, South  $26^{\circ} 58' 29''$  East 312.05 feet to a point; thence South  $46^{\circ} 22'$  East 60.25 feet to a point; thence South  $26^{\circ} 58' 29''$  East 58.37 feet to a point; thence South  $34^{\circ} 35' 23''$  East 499.46 feet to the point and place of Beginning, and being approximately 74.306 acres as shown on a map entitled "A Portion of The Villages of Cornwallis," dated August 21, 1985, by John Y. Phelps, Jr., Registered Land Surveyor.