

STATE OF NORTH CAROLINA



Department of The
Secretary of State

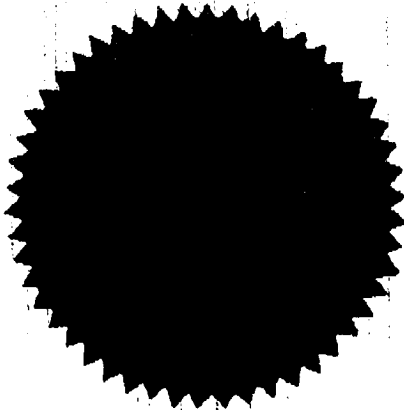
To all whom these presents shall come, Greetings:

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
AMBERFIELD HOMEOWNERS ASSOCIATION, INC.

the original of which was filed in this office on the 3rd day of November, 1998.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 3rd day of November, 1998.



Elaine F. Marshall

Secretary of State

983069058

C-047511

ARTICLES OF INCORPORATION
of
AMBERFIELD HOMEOWNERS ASSOCIATION, INC.

FILED2:47 PM
NOV 03 1998

The undersigned, being of the age of eighteen years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of the law of the State of North Carolina.

ELAINE F. MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

1. **Name.** The name of the corporation is Amberfield Homeowners Association, Inc. (hereinafter called "the Association").
2. **Duration.** The period of duration of the corporation is perpetual.
3. **Purpose.** The purposes for which the corporation is organized and the powers it will possess are:
 - A. To operate without contemplating pecuniary gain to the members thereof.
 - B. To provide for architectural control of the exterior of single-family dwelling units in the Amberfield community, Raleigh, Wake County, North Carolina.
 - C. To provide for the beautification and maintenance and to build and maintain facilities and improvements within that certain tract of land known as the Amberfield community which is more particularly shown in certain plat maps recorded in the Wake County, North Carolina Registry, and which may be supplemented and increased in size by the subsequent annexation of additional lands into Amberfield as more specifically described and authorized in the Declaration of Master Covenants, Conditions and Restrictions for Amberfield recorded in the Wake County, North Carolina Registry and any amendments thereto (hereinafter called "the Master Covenants").
 - D. To promote the health, safety, and welfare of the residents within the above described property and any additions thereto that may hereafter be brought within the jurisdiction of the Amberfield Homeowners Association for these purposes.
 - E. To do and perform all acts, services, functions and duties directly or indirectly connected with the commencement and continued operation of the affairs of an association of homeowners.
 - F. To engage in any lawful act or activity for which corporations may be organized under the Non-Profit Corporation Act of North Carolina as codified in Chapter 55A of the General Statutes of North Carolina, and to have and exercise any and all powers, rights and privileges which a corporation so organized may now or hereafter exercise.

4. Membership. The membership of the Association shall consist of the Declarant, for so long as it shall be an Owner, and every person or entity who is an Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract sellers. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of such Lot shall be the sole qualification for membership, and no Owner shall have more than one membership, except as expressly provided hereinafter. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot in Amberfield.

5. Voting Rights.

A. Classes of Memberships. The Association shall have two (2) classes of voting membership:

1. Class A Members. Class A Members shall be all Owners as defined in the said Master Covenants, with the exception of the Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the required ownership interest. When more than one person or entity holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot and no fractional vote may be cast with respect to any Lot.

2. Class B Members. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the required ownership interest; provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

a. The total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided, that the Class B membership shall be reinstated with all rights, privileges, responsibilities and voting power if, after conversion of the Class B membership to Class A membership, as provided in the said Master Covenants, additional lands are annexed to the properties without the assent of the Members, all within the times and as provided in the Master Covenants; or

b. December 31, 2005.

B. Voting Rights Suspension. The right of any Class A member to vote may be suspended by the Board of Directors of the Association for just cause pursuant to its rules and regulations and/or according to the provisions of the Master Covenants.

6. Board of Directors.

A. Initial Board. The affairs of the Association shall be managed by a Board of not fewer than three (3) nor more than five (5) Directors, who need not be Members of the Amberfield Homeowners Association. The names and addresses of the persons who are to serve as the initial directors until the election and qualification of their successors, are:

Jerry A. Radman	502 East Lochmere Drive Cary, North Carolina 27511
Michael F. Whitehead, Sr.	502 East Lochmere Drive Cary, North Carolina 27511
Philip R. Barker	c/o 502 East Lochmere Drive Cary, North Carolina 27511

B. Election and Term. At the first annual meeting of Members, the Members shall elect the Directors as required by the Bylaws and subject to the terms and conditions of the said master covenants. The term of the Directors elected shall be as provided in the Bylaws. All Directors shall serve until their successors have been duly qualified and elected.

C. Subsequent Elections. The method of election of directors after the first election held pursuant to Article 6.B. hereof shall be as provided in the Bylaws.

7. Mergers and Consolidation. To the extent permitted by law, the Amberfield Homeowners Association may participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes; provided, no merger or consolidation may be effectuated unless two-thirds (2/3) of each class of all the votes entitled to be cast by the membership are cast in favor of merger or consolidation at an election held for such purpose. In such event the holder of Class B voting rights shall be entitled to one vote for each Lot it owns.

8. Registered Agent and Office. The initial and principal registered office of the Amberfield Homeowners Association is located at 502 East Lochmere Drive, Cary, Wake County, North Carolina. Michael F. Whitehead, Sr. is the initial registered agent at such address.

9. Dissolution or Insolvency; No Pecuniary Gain or Personal Benefit. Amberfield Homeowners 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 and the assent of the Raleigh City Attorney or his deputy. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Amberfield Homeowners Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the 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.

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Three hereof. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the Association shall not participate in or intervene in (including the publishing or distribution of statement) and political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Association shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from general income tax under Section 501(c) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue Law).

Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Court in the county in which the principal office of the Association is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

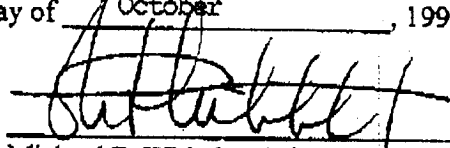
10. Amendments; Recordation. Except as herein provided, any amendment to these Articles may be accomplished with the assent of seventy-five percent (75%) of the votes of Members, voting in person or by proxy, of the entire vote of the membership. No amendment made pursuant to this section shall be effective until duly recorded in the Office of the Secretary of State of North Carolina.

11. Incorporator. The name and address of the incorporator is:

Michael F. Whitehead, Sr.
502 East Lochmere Drive
Cary, North Carolina 27511

12. FHA/VA Approval. As long as there is a Class B Member, the following acts will require the prior approval for compliance with established VA or HUD guidelines: Annexation of additional properties, merger, consolidation, mortgaging of common area, dissolution and amendment of these Articles of Incorporation.

IN WITNESS WHEREOF, for the purpose of forming this non-profit corporation under the laws of the State of North Carolina, the undersigned, as incorporator, has executed these Articles of Incorporation this the 29th day of October, 1998.

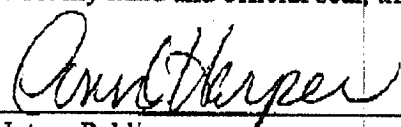


Michael F. Whitehead, Sr.,
Incorporator

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, a Notary Public, do hereby certify that Michael F. Whitehead, Sr. personally appeared before me this 29th day of October, 1998 and acknowledged the due execution of the foregoing Articles of Incorporation.

In Testimony Whereof, I have hereunto set my hand and official seal, this the 29th day of October, 1998.



Notary Public

My Commission Expires: 8/8/01

ANN L. HARPER
NOTARY PUBLIC
WAKE COUNTY, N.C.
My Commission Expires 8-8-01