

STATE OF NORTH CAROLINA
DEPARTMENT OF THE SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF
THE SANCTUARY COMMUNITY ASSOCIATION, INC.

A NORTH CAROLINA NONPROFIT CORPORATION

Pursuant to § 55A-2-02 of the General Statutes of North Carolina, the undersigned corporation does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation.

ARTICLE I
NAME

The name of the Corporation is THE SANCTUARY COMMUNITY ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II
INITIAL REGISTERED OFFICE

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

702 Oberlin Road, Suite 400, Raleigh, North Carolina 27605 County: Wake County

ARTICLE III
INITIAL REGISTERED OFFICE MAILING ADDRESS

The mailing address of the initial registered office of the Association is:

Post Office Box 1422, Holly Springs, North Carolina 27540

ARTICLE IV
INITIAL REGISTERED AGENT

The name of the initial registered agent of the Association is Keith M. Greenwood

ARTICLE V
INCORPORATOR

Keith M. Greenwood at 702 Oberlin Road, Suite 400, Raleigh, Wake County, North Carolina 27605, is the incorporator of the Association.

ARTICLE VI
PRINCIPAL OFFICE

The street address, mailing address and county of the principal office of the Association is:

Street Address:

702 Oberlin Road, Suite 400, Raleigh, North Carolina 27605

County: Wake County

Mailing Address:

P. O. Box 1422, Holly Springs, North Carolina 27540

County: Wake County

ARTICLE VII
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 residence Lots and Common Elements within those certain Properties more particularly described in that certain "Exhibit A", which is attached to the Declaration of Covenants, Conditions and Restrictions recorded at Book 11148, Page 2624, Wake County, North Carolina, Registry, and other properties as may be annexed thereto, and to promote the health, safety, and welfare of the residents within the above described property and any additions or annexations thereto as may hereafter be brought within the jurisdiction of this Association for these purposes 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 applicable to the residence Lots and Common Elements of the property and recorded in Book 11148, Page 2624, in the Office of the Register of Deeds of Wake County, North Carolina (hereinafter, "Declaration"), and as the same may be amended from time to time as therein provided, said Declaration being incorporated as if fully set forth herein;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments; to pay all 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 property in connection with affairs of the Association and subject to the laws of the City of Raleigh, North Carolina;

(d) Borrow money, and as allowed in the Declaration, 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; provided however that the rights of such mortgages in said properties shall be subordinate to the rights of the members;

(e) Dedicate, sell or transfer all or any part of the Common Elements to any public agency, authority, or 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 it has been approved

two-thirds (2/3) of each class of members and an instrument properly executed by the Association has been recorded, and upon such instrument the Secretary of the Association shall certify that two-thirds (2/3) of each class of members have approved the dedication, sale or transfer and that certificate shall be conclusive as to any grantee or its assigns; provided, however, conveyances for general utility purposes as specified herein may be made without consent of the members;

(f) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or to annex additional residential property and Common Elements, as provided for in the Declaration;

(g) Have and to exercise any and all powers, rights, and privileges which a corporation organized under the Nonprofit Corporation law of the State of North Carolina by law may now or hereafter have or exercise.

This corporation is organized and shall be operated exclusively as a homeowners association and not for profit. No part of the earnings of this corporation or the funds contributed by any person or corporation shall inure to the benefit of any director, officer, or Member of the corporation, or any private individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Association property, and other than by a rebate of excess membership dues, fees, or assessments), except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes.

In order to properly prosecute the objects and purposes set forth herein, this corporation shall have all the powers vested in corporations by the laws of the State of North Carolina, Chapter 55A, and other laws relating to corporations which may appear in the General Statutes of North Carolina, together with all amendments thereto, past and future, which powers shall include, but shall not be limited by nor shall such powers be deemed as exclusive of other powers vested in the corporation, the foregoing powers stated above.

ARTICLE VIII **MEMBERSHIP**

Every person or entity which is a record owner of a fee or undivided interest in any Lot that is subject by the Declaration 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 that is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE IX **VOTING RIGHTS**

Section 1. Classes of Voting Membership. The Association shall have two classes of voting membership.

Class A. Class A Members shall be all those Owners of Lots as defined in ARTICLE III of the Declaration with the exception of the Declarant (as defined in the Declaration). Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by ARTICLE III of the Declaration. When more

than one person holds such interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as the majority of such persons among themselves determine; however in no event may more than one vote be cast with respect to any one Lot. Fractional voting shall be prohibited. At any meeting of the Members, a representation by any of such persons that a majority of such persons have agreed as to the vote for such Lot shall be conclusive unless another of such persons contests such representation at such meeting prior to the casting of such vote.

Class B. The Class B Member(s) shall be the Declarant (as defined in the Declaration). The Class B Member(s) shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership at the end of the Declarant control period, as set forth in the Declaration.

ARTICLE X BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors. The number of members of the first Board of Directors of the Association shall be three (3), who need not be members of the Association. Thereafter the number of directors of succeeding Board of Directors shall be as provided from time to time by the By-Laws of the Association. The name and post office address of the initial members of the Board of Directors who, subject to the provisions of the By-Laws of the Association, shall hold office until the first Annual Meeting of the Membership (or until their successors are elected and qualified) are as follows:

<u>Name</u>	<u>Address</u>
Mike Ruth	421 Meadowmont Village Circle Chapel Hill, Orange County, NC 27517
Mike Golder	223 E. Chatham Street Cary, Wake County, NC 27511
Keith Greenwood	P. O. Box 1422 Holly Springs, Wake County NC 27540

ARTICLE XI DISSOLUTION

The 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. 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, provided, any Community Common Properties designated as "open space" pursuant to the ordinances of the City of Raleigh shall be dedicated to the City of Raleigh. 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 XII
DURATION**

The corporation shall exist perpetually.


**ARTICLE XIII
AMENDMENTS**

Amendment to these Articles shall require the assent of seventy-five (75%) percent of the vote of each class of members at a duly called meeting of the Association at which a quorum is present approves the change.

**ARTICLE XIV
EFFECTIVE DATE**

These articles will be effective upon filing.

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, has executed these Articles of Incorporation this 16 day of DECEMBER, 2004.

By:  (SEAL)
KEITH M. GREENWOOD, INCORPORATOR

STATE OF NORTH CAROLINA

COUNTY OF WAKE

On this 16 day of December, 2004, personally appeared before me the said named KEITH M. GREENWOOD, to me known and known to me to be the person described in and who before me executed the foregoing instrument as incorporator of THE SANCTUARY COMMUNITY ASSOCIATION, INC. and he acknowledged that he executed the same, and being duly sworn by me, made oath that the statements in the foregoing instrument are true and made on behalf of THE SANCTUARY COMMUNITY ASSOCIATION, INC..

(SEAL)

Sue Harrell Woodley
NOTARY PUBLIC

My commission expires 09-08-08

