

# NORTH CAROLINA

## Department of The Secretary of State

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To all whom these presents shall come, Greetings:

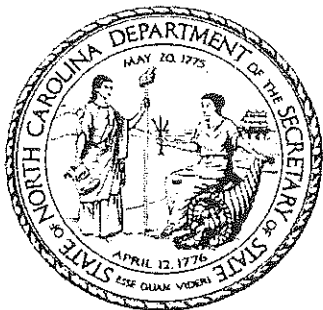
I, **ELAINE F. MARSHALL**, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

### ARTICLES OF INCORPORATION

OF

**GLENNSTONE HOMEOWNERS ASSOCIATION, INC.**

the original of which was filed in this office on the 3rd day of May, 2002.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 3rd day of May, 2002

*Elaine F. Marshall*

Secretary of State

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Elaine F. Marshall  
North Carolina Secretary of State

ARTICLES OF INCORPORATION

OF

GLENNSTONE HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned, all of whom are residents of the State of North Carolina and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is GLENNSTONE HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Owner's Association."

ARTICLE II

The initial registered and principal office of the Owner's Association is located at 2330 Operations Drive, Durham, Durham County, North Carolina 27705.

ARTICLE III

S. Craig Morrison, whose address is 2330 Operations Drive, Durham, Durham County, North Carolina 27705, is hereby appointed the initial registered agent of this Owner's Association.

ARTICLE IV

This Owner's Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are:

(a) To manage, own and maintain the lands and improvements located on the Common Area of Glennstone Subdivision Property, for the benefit and use of the members of the Association subject to such restraints or suspensions of use and voting rights of members as are provided herein and in the Bylaws.

(such instrument or instruments may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument);

(j) Participate in mergers and consolidations with, or as a member in, other nonprofit corporations organized for the same or similar purposes provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of members;

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

## ARTICLE V

### MEMBERSHIP AND USE

Every person or entity who is a record owner of a fee or undivided fee interest in any single family lot, condominium unit, patio home or townhouse Lot which is subject to Declaration of Covenants, Conditions and Restrictions of the Glennstone Homeowners Association shall be a member of this Owner's Association.

## ARTICLE VI

### VOTING RIGHTS

The Owner's Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners (with the exception of Declarant) and all Resident Permit Members and shall be entitled to one vote for each single family lot, owned. When more than one person holds an interest in any such single family lot, all such persons shall be members. The vote for such single family 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 one single family lot.

Class B. Class B member(s) shall be Cimland, L.L.C., a North Carolina Limited Liability Company, its successors and assigns, and it shall be entitled to three (3) votes for each single family lot, condominium unit, patio home or townhouse 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 or by December 31, 2010.

ARTICLE VII  
BOARD OF DIRECTORS

The affairs of this Owner's Association shall be managed by a Board of Directors, consisting of not less than three directors nor more than twelve directors, the exact number of directors to be fixed in the manner provided, from time to time by the Bylaws of the corporation, who must be members of the Owner's Association, officers of a corporation owning a single family lot, or a partner in a partnership owning a single family lot. From the time of incorporation until the expiration of their respective initial terms of office, the Board shall consist of three (3) persons appointed by Cimland, L.L.C. and need not own or occupy a single family lot. Until these persons are replaced by elected board members, they shall constitute the Board of Directors and exercise all powers and duties granted to the Board of Directors in these Articles of Incorporation and the Bylaws of this Owner's Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

NAME	ADDRESS
S. Craig Morrison	2330 Operations Drive Durham, North Carolina 27705
Apryl M. Watkins	2330 Operations Drive Durham, North Carolina 27705
Carol L. Cheek	2330 Operations Drive Durham, North Carolina 27705

At the expiration of the initial term of office of each of the respective directors, his successor shall be elected pursuant to the method of election set out in the Bylaws of the Owner's Association to serve a term of two years.

ARTICLE VIII  
DISSOLUTION

The Owner's 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 Owner's Association, other than incident to a merger or consolidation, the assets of the Owner's Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Owner's 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  
INDEMNIFICATION

Each Director and officer of this Owner's Association shall be indemnified by the Association against all costs and expenses reasonably incurred or imposed upon him in connection with or arising out of any action, suit or proceedings in which he may be involved or to which he may be made a party by reason of his having been a Director or officer of this Association, such expense to include the cost of reasonable settlements (other than amounts paid to the Association itself) made with a view of curtailment of costs and litigation. The Association shall not, however, indemnify such Director or officer with respect to matters as to which he shall be finally adjudged in any action, suit or proceedings to be liable for gross negligence or misconduct in the performance of his duty as such Director or officer, or in respect to any matter in which any settlement or compromise is effected if the total expense, including the cost of such settlement, shall substantially exceed the expense which might reasonably be incurred by such Director or officer in conducting such litigation to final conclusion, and in no

event shall anything herein contained be construed as authorizing this Association to indemnify any such Director or officer against any liability of the Association to which he would otherwise be subject by reason of willful malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. The foregoing right of indemnification shall be in addition to any other rights to which any such Director or officer may be entitled as a matter of law or otherwise.

#### ARTICLE X

##### DURATION

The corporation shall exist perpetually.

#### ARTICLE XI

##### AMENDMENTS

Amendments of these Articles shall require the assent of seventy-five percent (75%) of the membership, that is three-fourths (3/4) of the total votes of both the Class A membership and Class B membership, if any.

#### ARTICLE XII

##### FHA/VA APPROVAL

As long as there is a Class B membership, an amendment of these Articles of Incorporation will require the prior approval of the Federal Housing Administration or the Veterans Administration.

#### ARTICLE XIII

##### INCORPORATOR

The name and address of the Incorporator is C. Thomas Biggs, 122 East Parrish Street, Durham, Durham County, North Carolina 27701.

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of North Carolina, the undersigned, constituting the incorporator of this Owner's

Association, has executed these Articles of Incorporation, this the 30<sup>th</sup> day of April, 2002

  
C. THOMAS BIGGS INCORPORATOR (SEAL)

STATE OF NORTH CAROLINA

COUNTY OF DURHAM

THIS IS TO CERTIFY that on the 30<sup>th</sup> day of April, 2002 before me, a Notary Public, personally appeared C. THOMAS BIGGS who I am satisfied is the person named in and who executed the foregoing Articles of Incorporation, and I, having first made known to him the contents thereof, he did acknowledge that he signed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the 30<sup>th</sup> day of April, 2002.

  
Notary Public

My Commission Expires:

2/20/04

