

200209001

State of North Carolina
Department of the Secretary of State

ARTICLES OF RESTATEMENT
FOR NONPROFIT CORPORATION

CORP ID # 0496760
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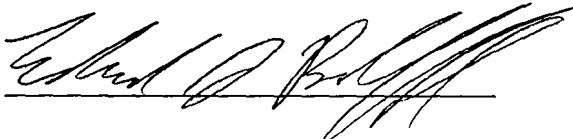
Pursuant to §55A-10-06 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following for the purpose of restating its Articles of Incorporation.

Effective
ELAINE F. MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

1. The name of the corporation is: The Neighborhoods of Walnut Creek Association, Inc.
2. The text of the Restated Articles of Incorporation is attached.
3. (Check a, b, c, and/or d, as applicable.)
 - a. These Restated Articles of Incorporation were adopted by the board of directors and do not contain an amendment.
 - b. These Restated Articles of Incorporation were adopted by the board of directors and contain an amendment not requiring member approval. (Set forth a brief explanation of why member approval was not required for such amendment.) _____
 - c. These Restated Articles of Incorporation contain an amendment requiring member approval, and member approval was obtained as required by Chapter 55A of the North Carolina General Statutes.
 - d. These Restated Articles of Incorporation contain an amendment requiring approval by a person whose approval is required pursuant to N.C.G.S. §55A-10-30, and such approval was obtained.
4. These articles will be effective upon filing, unless a delayed date and/or time is specified: _____

This the 18th day of January, ~~19~~ 2000

The Neighborhoods of Walnut Creek Association, Inc.
Name of Corporation


Signature

Edward J. Bedford, Incorporator, Director & Vice President
Type or Print Name and Title

Notes:
 1. Filing fee is \$10, unless the Restated Articles of Incorporation include an amendment, in which case the filing fee is \$25. This document and one exact or conformed copy of these articles must be filed with the Secretary of State.
 (Revised May 1998) (Form N-03)
 CORPORATIONS DIVISION 300 N. SALISBURY ST. RALEIGH, NC 27603-5909

200209001

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF

THE NEIGHBORHOODS OF WALNUT CREEK ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of General Statutes of North Carolina, the undersigned, a resident of the State of North Carolina and of full age, has this day formed a corporation, not for profit, and does hereby certify the following to be the amended and restated Articles of Incorporation:

ARTICLE I.
NAME

The name of the corporation is The Neighborhoods of Walnut Creek Association, Inc. (hereinafter the "Association").

ARTICLE II.
PRINCIPAL OFFICE

The principal office of the Association is located at 2521-134 Schieffelin Road, Apex, Wake County, North Carolina, 27502. The location of the principal office may be changed by a majority vote of the Board of Directors.

ARTICLE III.
REGISTERED OFFICE AND INITIAL AGENT

The registered office of the Association is located at 2521-134 Schieffelin Road, Apex, Wake County, North Carolina, 27502. The location of the registered office may be changed by a majority vote of the Board of Directors. The name of the initial registered agent at the above address is Edward J. Bedford.

ARTICLE IV.
PURPOSE AND POWER OF THE ASSOCIATION

The Association does not contemplate a pecuniary gain or profit to the Members thereof. Subject to the provisions of Chapter 47F (as amended and recodified from time to time, the "Planned Community Act") and Chapter 55A (as amended and recodified from time to time, the "Non-Profit Act") of the General Statutes of North Carolina, the specific purposes

for which the Association is formed are:

(1) to own and maintain the Common Areas, Limited Common Areas and Townhome Common Areas within the subdivision known as The Neighborhoods of Walnut Creek located in Wake County, North Carolina (the Planned Community"), as such Planned Community is more particularly described in a Declaration of Covenants, Conditions and Restrictions for such Planned Community recorded in the Office of the Register of Deeds of Wake County, North Carolina.

(2) to provide for architectural control within The Neighborhoods of Walnut Creek; and

(3) to provide for maintenance and preservation of the residence Lots, Common Areas, Limited Common Areas, and Townhome Common Areas and to promote the health, safety, and welfare of the residents within The Neighborhoods of Walnut Creek and any additions thereto as may hereafter be brought within the jurisdiction of the Association, and for these purposes to:

- (a) exercise all the powers and privileges and to perform all duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions for The Neighborhoods of Walnut Creek, to be recorded in the Wake County Public Registry, as the same may from time to time be amended as provided therein, said Declaration and any amendments thereto (hereinafter individually and collectively referred to as "Declaration") being incorporated herein as if set forth at length;
- (b) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration;
- (c) pay all expenses incurred in connection with collection of the charges and assessments set forth in subparagraph (b) above, and to pay 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 property owned by the Association;
- (d) 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; provided, however, that all conveyances and transfers of

Common Areas, Limited Common Areas and Townhome Common Areas must be done in accordance with the code of ordinances of the City of Raleigh;

- (e) borrow money and, with the assent of Members entitled to at least eighty percent (80%) of the votes of the entire membership, but in any event not less than 67% of the votes of the membership excluding the Declarant, and in accordance with the provisions of the Planned Community Act in the case of Limited Common Area and Townhome Common Area, 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 to the property rights of the Members and the Association as provided in the Declaration;
- (f) dedicate, sell or transfer all or any part of the Common Area, Limited Common Area and/or Townhome Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the Members. No such dedication or transfer shall be effective unless an instrument has been signed by Members entitled to at least eighty percent (80%) of the votes appurtenant to each voting class of membership, agreeing to such dedication, sale, or transfer;
- (g) Participate in mergers and consolidations with the other non-profit corporations organized for the same or similar purposes in accordance with the Planned Community Act; and
- (h) have and 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 hereinafter have or exercise.

ARTICLE V
FINANCE

The Association is a non-stock corporation and no part of the profits (if any) of the Association shall inure to the pecuniary benefit of its Members or to any other person except as provided in the Planned Community Act and the Non-Profit Act.

ARTICLE VI
MEMBERSHIP AND VOTING RIGHTS

- (1) Every person or entity who is record Owner of the fee simple title to any Lot

subject be 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 any obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot or unit which is subject to assessment by the Association. Following termination of the Planned Community, all persons entitled to distributions of proceeds under the Planned Community Act shall be Members of the Association.

(2) The Association shall have up to four classes of voting membership.

Class A: Class A Members shall be all Owners of detached single family units with the exception of the Class D Members, if any, and shall be entitled to one (1) vote for each Residential Unit owned. Class D Members may, however, be a Class A Member upon the termination of Class D membership. When more than one Person holds an interest in any Residential Unit, all such Persons shall be Members and the vote allocated to such Residential Unit shall be cast in accordance with the Planned Community Act.

Class B: Class B Members shall be all Owners of townhouse units with the exception of the Class D Members, if any, and shall be entitled to one (1) vote for each Residential Unit owned. Class D Members may, however, be a Class B Member upon the termination of Class D membership. When more than one Person holds an interest in any Residential Unit, all such Persons shall be Members and the vote allocated to such Residential Unit shall be cast in accordance with the Planned Community Act.

Class C: Class C Member(s) shall be all Owners of multifamily apartment house structures, if any, with the exception of the Class D Members, and shall be entitled to one-tenth (1/10th) of a vote for each Residential Unit owned. Class D Members may, however, be a Class C Member upon the termination of Class D membership. When more than one Person holds an interest in any multifamily apartment house structure, all such Persons shall be Members and the vote allocated to such Residential Unit shall be cast in accordance with the Planned Community Act.

Class D: The Class D Member shall be the Declarant and shall be entitled to three (3) times the regular vote for each Residential Unit owned based on the class to which such Residential Unit would otherwise belong. The Class D membership shall cease and be converted to Class A, B or C membership, as appropriate, upon either of the following events, whichever occurs first:

(a) When the total votes outstanding in Class A, Class B and Class C membership

equal the total votes outstanding in Class D membership, but provided that the Class D membership shall be reinstated if thereafter and before the time stated in subparagraph (B) below, Additional Lands are annexed to the Property without the assent of Class Members for the development of such Additional Lands by the Declarant, all as provided in Article IV, Section I, herein;

- (b) On December 31, 2005; or
- (c) Upon the surrender of the Class D membership by the Declarant.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of the Association shall be managed by an initial Board of three (3) Directors, who need not be Members of the Association. The persons who are to act in capacity of the Director until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Michael Dean Chadwick	2521-134 Schieffelin Road Apex, North Carolina 27502
Edward J. Bedford	2521-134 Schieffelin Road Apex, North Carolina 27502
David Goracke	2521-134 Schieffelin Road Apex, North Carolina 27502

At the first annual meeting of the Association after the termination of the Class D Membership, the number of directors shall be increased to seven (7), a majority of whom shall be Members of the Association, unless the Planned Community Act requires a smaller percentage of Directors to be Members. Two (2) directors shall be elected from the Townhouse Election District, two (2) directors shall be elected from the Apartment Election District, if any, and three (3) directors shall be elected from the Single Family Election District. At that meeting, the Single Family Election District Members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years. The Townhouse Election District Members shall elect one director for a term of two (2) years and one director for a term of three (3) years. The Apartment Election District Members, if any, shall elect one director for a term of one (1) year and one director for a

term of two (2) years. At each annual meeting thereafter, the Members shall elect the number of directors needed to fill the vacancy or vacancies created by the director or directors whose terms is/are expiring to serve a term of three (3) years. The number of directors may be changed by amendment of the By-Laws of the Association. The number of directors shall always be an odd number, and the Single Family Election District shall elect one more director than the Townhouse Election District and Apartment Election District, if any. For example, if there is no Apartment Election District, the Single Family Election District shall elect 4 directors, 1 for a term of 3 years, 2 for terms of 2 years and 1 for a term of 1 year, and the Townhome Election District shall elect 3 directors, 1 for a term of 3 years, 1 for a term of 2 years and 1 for a term of 1 year.

ARTICLE VIII **DISSOLUTION**

The Association may be dissolved only upon the signed written assent of Members entitled to at least eighty percent (80%) of the votes appurtenant to each class of membership. Upon dissolution of the Association, other than the incident to a merger or consolidation, the assets of the Association shall be sold, transferred and distributed in accordance with the Planned Community Act and the Non-Profit Act.

ARTICLE IX **DURATION**

The period of existence of this corporation is perpetual.

ARTICLE X **AMENDMENTS**

Amendments of these Articles shall require the assent of the Members entitled to at least sixty-seven (67%) of the entire membership. To the extent permitted by the Planned Community Act and the regulations of the U.S. Department of Housing and Urban Development ("HUD") or the Veteran's Administration ("VA"), as long as there is Class D membership, if an amendment is requested or required by the City of Raleigh, HUD or VA, the amendment shall require only the assent of a majority of the Class D Members.

ARTICLE XI **FHA/VA APPROVAL**

As long as there is Class D membership, the following actions require the prior

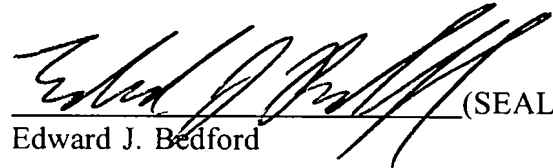
approval of HUD or the VA: annexation of additional properties (except as permitted by applicable HUD or VA regulations for annexations by the Declarant pursuant to a right reserved under the Declaration), mergers and consolidations, dissolution, mortgaging of Common Areas, Limited Common Areas and/or Townhome Common Areas, dedication of or otherwise deeding of Common Areas, Limited Common Areas and/or Townhome Common Areas to persons other than the Association, and amendment of these Articles.

ARTICLE XII
INCORPORATOR

The name and address of the incorporator is as follows:

Edward J. Bedford
2521-134 Schieffelin Road
Apex, NC 27502

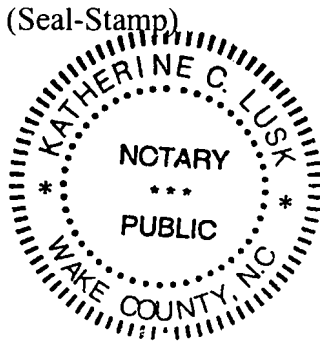
IN WITNESS WHEREOF, I, the undersigned incorporator have hereunto set my hand and seal this 12th day of January, 2000.

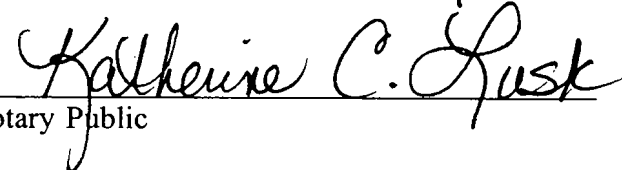

Edward J. Bedford (SEAL)

STATE OF NORTH CAROLINA; COUNTY OF WAKE:

I, Katherine C. Lusk, a Notary Public, do hereby certify that Edward J. Bedford, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 13th day of January, 2000.




Notary Public
My commission expires: 3-24-01