

ARTICLES OF INCORPORATION
OF

THE VILLAS OF WAKE FOREST CONDOMINIUM OWNERS ASSOCIATION, INC.

I, the undersigned, being a natural person of full age, make these Articles of Incorporation for the purpose of forming a nonprofit corporation pursuant to the provisions of Chapter 55A of the North Carolina General Statutes.

ARTICLE I

NAME

The name of the corporation is The Villas of Wake Forest Condominium Owners Association, Inc.

ARTICLE II

DURATION

The period of duration of the corporation shall be perpetual.

ARTICLE III

PURPOSES

The purposes for which the corporation is organized are:

(a) To provide for the management, maintenance, preservation, administration and operation of The Villas of Wake Forest, a Condominium, a condominium organized pursuant to Chapter 47C of the North Carolina General Statutes, the North Carolina Condominium Act, as set forth in that certain Declaration of Condominium to be recorded in the Office of the Register of Deeds for Wake County, North Carolina (the "Declaration"). No Condominium Unit shall be conveyed before these Articles of Incorporation have been filed with the North Carolina Secretary of State and the Corporation has been organized.

(b) To promote the health, safety and welfare of the "Owners" (as defined in the Declaration) within the jurisdiction of this corporation.

(c) To engage in any and all lawful activities incidental to the foregoing purposes, except as restricted herein.

ARTICLE IV

POWERS

In order to carry out the purposes for which this corporation has been formed, the corporation shall have all of the powers set forth in Chapter 55A of the North Carolina General Statutes including, but not limited to, the powers:

- (a) To exercise all of the privileges and powers and to perform all of the duties and obligations of the corporation as set forth in the Declaration and the Bylaws attached thereto;
- (b) To fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments made pursuant to the terms of the Declaration and Chapter 47C of the North Carolina General Statutes, the North Carolina Condominium Act; to pay all expenses in connection therewith and all other expenses incident to the conduct of the business of the corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the corporation;
- (c) 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 corporation;
- (d) To borrow money and, with the unanimous consent of the membership, to mortgage, pledge, grant a deed of trust on or hypothecate any or all of the Common Elements (as defined in the Declaration) as security for money borrowed or debts incurred subject to the property rights of the members of the corporation as provided in the Declaration and the Bylaws attached thereto;
- (e) To dedicate, sell or transfer all or any part of the Common Elements (as defined in the Declaration) to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the members of the corporation as provided in the Declaration and the Bylaws attached thereto.

ARTICLE V

NO PECUNIARY GAIN; DISTRIBUTION OF ASSETS UPON DISSOLUTION

This corporation is a nonprofit corporation, and no part of the net earnings (if any) of the corporation shall inure to the pecuniary benefit of its members, officers, or directors, except as permitted by Chapter 55A of the North Carolina General Statutes. Upon dissolution of the Corporation, the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provisions made therefor, be distributed to Unit Owners and lienholders, as their interests may appear, in accordance with Section 47C-2-118 of the North Carolina Condominium Act, and in accordance with a Plan of Dissolution complying with Section 55A-14-03 of the North Carolina Nonprofit Corporation Act.

ARTICLE VI

MEMBERSHIP AND VOTING RIGHTS

Membership in the corporation shall be limited to the owners (the "Owners") of condominium units (the "Units") in The Villas of Wake Forest, a Condominium (except as provided in the fourth paragraph of this Article VI) and every Owner of a Unit shall automatically be a member of the corporation. Members shall not include persons or entities who hold an interest merely as security for the payment or performance of an obligation. Membership in the corporation shall be appurtenant to and may not be separated from Unit ownership.

The total number of votes of the Membership of the corporation shall be the number of Units created under the Declaration and any supplements thereto. In the event fee simple title to a Unit is owned of record by more than one person or entity, all such persons or entities shall be Members of the Association, but the vote with respect to any such jointly owned Unit shall be cast as hereinafter provided.

If the fee simple title to any Unit is owned of record by two or more persons or entities (whether individually or in a fiduciary capacity), the vote with respect to any such jointly owned Unit may be cast by any one of the joint Owners in person or by proxy, except that the holder or holders of a life estate in a Unit shall have the sole right to cast the vote appurtenant to the Unit. If more than one of the joint Owners vote or more than one life estate holder in a Unit vote, the unanimous action of all joint Owners or joint life estate holders voting shall be necessary to effectively cast the vote allocated to the particular Unit. Such unanimous action shall be conclusively presumed if any one of such multiple Owners casts the vote allocated to that Unit without protest being made promptly by any of the other of such joint Owners.

Until such time as the Declaration is recorded in the Register of Deeds of Wake County, the membership of the Corporation shall be comprised of three individuals named in Article VIII hereof as the initial Board of Directors of the Corporation, and each individual shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

The date of recordation of the conveyance in the Office of the Register of Deeds of Wake County of any Unit shall govern the date of ownership of such Unit. However, in the case of death, the transfer of ownership shall occur on the date of death in the case of intestacy or the date of probate of a will in the case of testacy. Until a decedent's will is probated, the corporation may rely on the presumption that a deceased Owner died intestate.

ARTICLE VII

PRINCIPAL OFFICE; REGISTERED AGENT AND OFFICE

The address of the principal office of the Corporation and of the initial registered office in the State of North Carolina is 600 South College Street, Charlotte, Mecklenburg County, NC 28202 and the name of the initial Registered Agent at such address is Robert H. Sheppard.

ARTICLE VIII**EXECUTIVE BOARD OF DIRECTORS**

The affairs of the corporation shall be managed by an Executive Board of Directors of three members. The number of members of the Board of Directors may be changed by amendment of the Bylaws of the corporation, provided that said Board shall not be less than three in number. The initial Executive Board shall be selected by Stephen Square, LLC (collectively, the "Declarant") and need not be members of the corporation. The names and addresses of such persons who have been so selected to act as initial members of the Executive Board until the first annual meeting of the members or until their successors are elected and qualified are:

<u>NAME</u>	<u>ADDRESS</u>
Doug O. Tice	6912 Three Chopt Road Suite C Richmond, Virginia 23226
Roger A. Glover, III	6912 Three Chopt Road Suite C Richmond, Virginia 23226
Custis Coleman	6912 Three Chopt Road Suite C Richmond, Virginia 23226

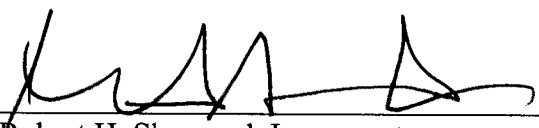
ARTICLE IX**AMENDMENTS**

Amendments of these Articles shall require the assent of the members entitled to at least three-fourths of the entire vote of the membership.

ARTICLE X**INCORPORATOR**

The name and address of the incorporator is Robert H. Sheppard, James, McElroy & Diehl, P.A., 600 South College Street, Charlotte, Mecklenburg County, North Carolina 28202.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this 19th day of January, 2007.


Robert H. Sheppard, Incorporator