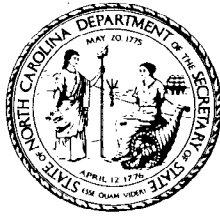


STATE OF NORTH CAROLINA



Department of The
Secretary of State

To all whom these presents shall come, Greetings:

I, Rufus L. Edmisten, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

**CHARTER DOCUMENTS
OF
STIRRUP CREEK HOMEOWNERS ASSOCIATION**

the original of which is now on file and a matter of record in this office.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 28th day of March, 1994.

Rufus L. Edmisten

Secretary of State

ARTICLES OF INCORPORATION
OF
STIRRUP CREEK HOMEOWNERS ASSOCIATION

In compliance with the requirements of the laws of the State of North Carolina, the undersigned, who is a resident of Durham County, North Carolina, and is of full age, has signed and acknowledged these Articles of Incorporation for the purpose of forming a non-profit corporation and does hereby certify:

ARTICLE I

NAME

The name of the corporation is Stirrup Creek Homeowners Association, hereinafter called the "Association".

ARTICLE II

DURATION

The Association shall exist perpetually.

ARTICLE III

REGISTERED OFFICE AND AGENT

The principal and initial registered office of the Association is located at 301 W. Main Street, Durham, Durham County, North Carolina; and Oliver W. Alphin, is the initial registered agent of the Association at that address.

ARTICLE IV

PURPOSE 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 beautification, maintenance, preservation, and architectural control of the residence Lots and Common Area within those certain tracts of property

described as:

- (a) Stirrup Creek Subdivision, Durham County, North Carolina;
- (b) Such additional land as may be annexed by Kaiser Aetna, a General Partnership, its successors and assigns (hereinafter known as "Declarant"), without the consent of members within ten (10) years of the date of this instrument;
- (c) Such land, in addition to the annexation provided for in subparagraph (b) above, as the Declarant, within ten (10) years of the date of this instrument, may annex without the consent of members;

and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto as hereafter may be brought within the jurisdiction of this Association for this purpose.

ARTICLE V

POWERS OF THE ASSOCIATION

The Association shall have the following general powers and any others impliedly arising therefrom, to be exercised in the manner provided and in conformity with applicable laws, the Declaration hereinafter referred to, the Bylaws of the Association, and these Articles:

- (a) To 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, herein called the "Declaration", applicable to the property, and recorded or to be recorded in the Office of the Register of Deeds of Durham County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being specifically incorporated herein by reference as if fully herein set out;
- (b) To fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including, but specifically not limited to, licenses, taxes, and governmental charges levied or imposed against the property of the Association;
- (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 Association, subject always to the provisions and requirements of the Declaration;

- (d) To borrow money, 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 always to the provisions and limitations of the Declaration;
- (e) To participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, subject always to the provisions and limitations set forth in the Declaration;
- (f) To 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 (Chapter 55A, North Carolina General Statutes) by law may now or hereafter exercise.

ARTICLE VI

MEMBERSHIP

Section 1. Members. Kaiser Aetna, a General Partnership, its successors and assigns (the "Declarant"), for so long as it shall be record owner of a fee simple title to any Lot, and every person or entity who is a record 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, 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. Ownership of such Lot shall be the sole qualification for membership and no Owner shall have more than one membership. 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 this subdivision.

Section 2. Guest and Nonparticipating Memberships. The Declarant and the Board of Directors of the Association (hereinafter termed the "Board") may grant or sell guest or nonparticipating memberships of the nature and in the manner provided in the Declaration and in the Bylaws of the Association. No holder of a guest or nonparticipating membership shall be a member of the

Association nor shall he be entitled to any of the privileges of the Association, including voting privileges, other than the use of the Common Area (exclusive of Private Streets and Limited Common Areas) or portions thereof. All guest and nonparticipating memberships shall be subject to the rules and regulations of the Association governing the use of the Common Area and amenities thereon, but shall not be subject to dues or assessments of the Association.

ARTICLE VII

VOTING RIGHTS

Section 1. The Association shall have three classes of voting membership.

Class A. Class A members shall be all those Owners as defined in Article VI with the exception of the Declarant and Class C members. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article VI. When more than one person 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 vote be cast with respect to any Lot, and no fractional vote may be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Class B members shall be entitled to ten (10) votes for each Lot in which it holds a fee or undivided fee 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 earlier:

- (a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; provided, that the Class B membership shall be reinstated with all rights, privileges, and responsibilities if, after conversion of the Class B membership to Class A membership hereunder, additional

lands are annexed to the Properties without the assent of Class A and Class C members on account of the development of such additional lands by the Declarant, all within the times and as provided for in Article IV, subparagraphs (c) and (d) above; or

(b) on January 1, 1986.

Class C. Class C members shall be members who own apartment dwellings which are within an area which has been annexed to the Association. A Class C member shall be entitled to one-fourth(1/4) vote for each apartment in which he holds the interest required for membership by Article VI.

Section 2. In every instance, Class A and Class C votes shall be counted together as though they were one class, both for the purpose of establishing a quorum and for voting.

Section 3. The right of any member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and for any period during which any assessment against the Lot of a member remains unpaid.

ARTICLE VIII

BOARD OF DIRECTORS

Section 1. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than fifteen (15) Directors, who need not be members of the Association. The number of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of and constitute the initial Board of Directors until the selection and qualification of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
<u>Dave O. White</u>	<u>4892 North Street, Somis, Calif. 93066</u>
<u>Gilbert O. Nielsen</u>	<u>4892 North Street, Somis, Calif. 93066</u>
<u>Larry Deese</u>	<u>4509 Creedmoor Rd., Raleigh, N. C. 27612</u>

Section 2. The Board of Directors shall consist of at least three (3) Directors. At or within ten (10) days after the first annual meeting, the members shall elect one Director for a term of one (1) year, one Director for a term of two (2) years, and one Director for a term of three (3) years. The terms of Directors thereafter elected shall be three (3) years, except as otherwise provided in the Bylaws. All Directors shall serve until their successors have been duly elected and qualified.

Section 3. The method of election of Directors after the first election held pursuant to Section 2 shall be as provided in the Bylaws.

ARTICLE IX

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the 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 all the votes entitled to be cast, in the aggregate, by Class A and Class C members, and also two-thirds (2/3) of all of the votes entitled to be cast by Class B members, if any, are cast in favor of merger or consolidation at an election held for such purpose.

ARTICLE X

EXCHANGE OF COMMON AREA

The Association, acting through its Board, from time to time may exchange with any member a portion of the Common Area for a portion of the real property owned by such member within Stirrup Creek Subdivision provided that the real property acquired by the Association in the exchange: (a) is free and clear of all encumbrances except Protective Covenants of record, the Declaration, and easements for drainage, utilities, and sewers; (b) is contiguous to other portions of the Common Area; and (c) has approximately the same area and utility as the portion of the Common Area exchanged. The

real property so acquired by the Association shall be a part of the Common Area, and, without further act of the Association or membership, shall be released from any provisions of the Protective Covenants and Declaration except those applicable to the Common Area. The portion of the Common Area so acquired by the member, without further act of the Association or membership, shall cease to be Common Area and shall be subject to those provisions of the Protective Covenants and Declaration that were applicable to the real property conveyed to the Association by the member.

ARTICLE XI

DISSOLUTION OR INSOLVENCY

Section 1. Voluntary Dissolution. The Association may be dissolved with the assent given in writing and signed by members having not less than two-thirds (2/3) of the aggregate votes of both the entire Class A and Class C membership and two-thirds (2/3) of the votes of the entire Class B membership, if any.

Section 2. Common Area. Upon dissolution or insolvency of the Association, or upon loss of ownership of the Common Area by the Association for any cause whatsoever, the Owners of Lots having an interest in Private Streets or Limited Common Areas, as defined in the Declaration, may elect to form a non-profit corporation and assign to it the duty and authority to assess on a per-Lot basis all Lots adjacent to or having an interest in Private Streets or Limited Common Areas, and such corporation shall maintain such Private Streets and Limited Common Areas in the same manner and with the same right of lien for assessments as is provided in the Declaration.

Any portion of the Common Area not maintained by a non-profit corporation as hereinabove provided shall be offered to the County or City of Durham to be dedicated for public use for purposes similar to those

to which they were required to be devoted by the Association. If the County or City accepts the offer of dedication, such portion of the Common Area shall be conveyed by the Association to the said City or County, subject to the superior right of the Owner of each Lot to an easement for reasonable ingress and egress between his Lot and the public street, as well as an easement for reasonable off-street parking area to accompany his Lot; and the Association, in its discretion and as a part of the dedication and conveyance, may designate the boundaries of said easement for off-street parking and areas for ingress and egress which shall accompany each Lot.

In the event that the County or City refuses the offer of dedication and conveyance, the Association may transfer and convey such Common Area to any non-profit corporation, association, trust, or other organization which is or shall be devoted to purposes and uses that would most nearly conform to the purposes and uses to which the Common Area was required to be devoted by the Association.

Section 3. Other Assets. The Association shall have no capital stock, and in the event of dissolution, no member, Director, or officer of the Association, and no private individual, shall be entitled to share in the distribution of the assets of the Association. If any assets, other than the Common Area, shall remain after satisfaction of its just debts, the Association shall grant, convey and assign such assets to any entity or entities in a manner which the Association, in its discretion, deems fair and equitable.

ARTICLE XII

AMENDMENTS

Section 1. Amendment by Membership. Except as herein provided, any amendment of these Articles shall require the assent of members or proxies entitled to cast seventy-five per cent (75%) of the entire vote of the Class B

membership. In the event that the Class B membership has been converted to Class A membership, such amendment shall require the assent of members or proxies entitled to cast seventy-five per cent (75%) of the entire vote of the Class A and Class C membership.

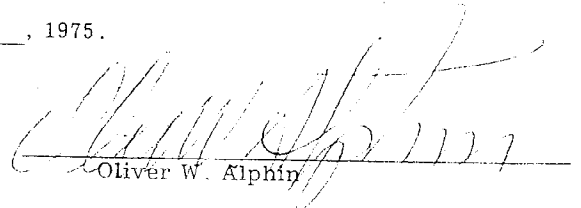
Section 2. Amendment by Declarant or Association. Those Articles may be amended by the Declarant prior to conversion of Class B to Class A membership and, after conversion, by the Board of Directors of the Association, without the consent of the members, to the extent necessary, and only to the extent necessary, to achieve or maintain the tax-exempt status of the Association, or to permit the Properties (as defined in the Declaration), or any portion thereof, or the Association to qualify for loans made or insured by the Federal Housing Administration or the Veterans Administration, or their successor agencies, or any other agency of government.

ARTICLE XIII

INCORPORATOR

The name and address of the incorporator is: Oliver W. Alphin, 301 W. Main Street, Durham, North Carolina 27701.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, as incorporator, has executed these Articles of Incorporation, this the 5 day of May, 1975.



Oliver W. Alphin

STATE OF NORTH CAROLINA

COUNTY OF DURHAM

This is to certify that on the 5th day of May, 1975, before me, a Notary Public in and for the County and State aforesaid, personally appeared Oliver W. Alphin, 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 and the same are true of his own knowledge.

WITNESS my hand and notarial seal this the 5th day of May, 1975.

Lawrence H. [Signature]
Notary Public

My Commission Expires:

Sept 24, 1975