

**ARTICLES OF INCORPORATION
OF
THE TOWNES AT LAKESHORE HARBOUR TOWNHOME ASSOCIATION, INC.**

In compliance with the requirements of Chapter 55A of 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 an association not-for-profit and do hereby certify:

**ARTICLE I.
NAME**

The name of the association is The Townes At Lakeshore Harbour Townhome Association, Inc. (the "Association").

**ARTICLE II.
DURATION**

The period of duration of the association is perpetual.

**ARTICLE III.
PRINCIPAL AND REGISTERED OFFICE**

The principal and registered office of the Association is located at 5511 Ramsey Street, Fayetteville, North Carolina 28311. The office is located in Cumberland County, North Carolina.

**ARTICLE IV.
REGISTERED AGENT**

The name and address of its registered agent is Jerry Christopher Manning, 5511 Ramsey Street, Fayetteville, Cumberland County, North Carolina 28311.

**ARTICLE V.
PURPOSE**

The purposes for which the Association is formed are to provide for architectural control of the Lots and maintaining the private streets, private drainage easements, storm drainage facilities and the other Common Elements (as those terms are defined in the Declaration of Covenants, Conditions And Restrictions of The Townes At Lakeshore Harbour (the "Declaration"), which is incorporated herein) located within that property generally described as The Townes at Lakeshore Harbour, located in Cumberland County, and more specifically, the Properties (as that term is defined in the Declaration). The Association is also intended to promote the health, safety, and welfare of the residents within the Properties.

The Association does not contemplate pecuniary gain or profit to its members. The Association is organized and shall be governed exclusively as a homeowners association and not for profit. No part of the earnings of this Association or the funds contributed by any person or association shall inure to the benefit of any director, officer, or member of the Association, or any private individual (other than by acquiring, constructing, or providing management, maintenance, and care of 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 Association affecting one or more of its purposes. In the event of the liquidation or dissolution of the Association, either voluntary or involuntary, no director or officer of the Association or any private individual

shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the Association from any source, after the payment of all debts and obligations of the association, shall be used or distributed exclusively to an entity or entities whose purposes are substantially similar to those set forth in this Article IV and within the intendment of Section 528 of the Internal Revenue Code of 1986 and the regulations thereunder as the same now exist or as they may be hereafter amended from time to time or to an appropriate public agency to be or used for purposes similar to those stated in this Article IV or to an organization which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

ARTICLE VI. POWERS

The Association shall have the following general powers, to be exercised in conformity with applicable laws, the Declaration, the Association By-Laws, and these Articles:

- (1) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration;
- (2) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration;
- (3) 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;
- (4) Subject to the ordinances of Cumberland County, North Carolina, 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 property in connection with affairs of the Association;
- (5) 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, the rights of any mortgagee to be subordinate to the rights of the members established under the Declaration;
- (6) To annex additional residential property; provided that annexation of additional residential property and Common Elements shall have the assent of two-thirds (2/3) of each class of members and is approved by the County of Cumberland, if required; except as otherwise provided for in the Declaration;
- (7) Have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Association law of the State of North Carolina by law may now or hereafter have or exercise.

Anything to the contrary notwithstanding, the Association shall not possess or exercise any power or authority either, by implication, or by operation of law that will prevent it at any time from qualifying as a "Residential Real Estate Management Association" as defined in Section 528 of the Internal Revenue Code of 1986 as amended and the regulations thereunder, or shall it engage directly or indirectly in any activity which would cause the loss of such qualification or deny it such election under such section of the Internal Revenue Code.

ARTICLE VII. MEMBERSHIP

Every person or entity who or which is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including Declarant and any Affiliates (as that term is defined in the Declaration), shall be a voting Member of the Association. The foregoing is not intended to include persons or entities that hold an interest in a Lot merely as security for the performance of an obligation. Such membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment by the Association. Except as otherwise provided in the Declaration, on all matters which the membership shall be entitled to vote, the member(s) owning each Lot shall be entitled to one (1) vote. When more than one person holds an 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.

ARTICLE VIII. VOTING RIGHTS

The Association shall have two classes of voting memberships:

Class A: The Class A Members shall be every person or entity who or which is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, except for Declarant or any Affiliate, during any Period of Declarant Control. Class A Members shall be entitled to one (1) vote for each Lot owned.

Class B: Declarant shall be the Class B Member and Declarant shall be entitled to twenty (20) votes for each Master Plan Lot that is owned by Declarant and/or any Affiliate or for which Declarant or any Affiliate holds a contract right to purchase. 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:

- (i) when Declarant ceases to own any Lot; however, the Class B membership shall be reinstated if thereafter, and before the time stated in subsection (iii) below, additional property is annexed to the Properties pursuant to the terms of this Declaration and following such annexation Declarant owns a number of Lots sufficient to allow the Class B membership to continue under subsection (ii) below;
- (ii) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; however, the Class B membership shall be reinstated if thereafter, and before the time stated in subsection (iii) below, the Master Plan is amended to add additional Master Plan Lots sufficient to give the Class B membership a total number of votes (with the Class B membership entitled to twenty (20) votes for each Master Plan Lot that is owned by Declarant and/or any Affiliate or for which Declarant or any Affiliate holds a contract right to purchase) greater than those of the Class A membership; or,
- (iii) twenty (20) years from the date this Declaration is recorded in the Office of the Register of Deeds, Cumberland County, North Carolina.

A R T I C L E I X .
BOARD OF DIRECTORS

The affairs of this Association shall be managed by an Executive Board of not less than one (1) or more than three (3) directors, who need not be members of the Association. The number of directors may be changed as provided in the By-Laws of the Association. The present Executive Board shall consist of one (1) director, the name and address of such person who is to act in the capacity of director until the selection of his successors is:

Name:

Address:

Jerry Christopher Manning

5511 Ramsey Street, Fayetteville, NC 28311

Thereafter, the members and size of the Board shall be fixed in the manner prescribed in the By-Laws.

A R T I C L E X .
DISSOLUTION

Upon dissolution of the corporation, the assets thereof shall, after all liabilities and obligations of the corporation have been paid, or adequate provision made therefor, be dedicated to an appropriate public agency to be used for purposes similar to those for which the corporation was created or, in the event that such dedication is refused acceptance, distributed to any association or associations organized for purposes similar to those set forth in Article III above, all in accordance with any further provisions of the By-laws of this Association.

A R T I C L E X I .
AMENDMENT

Subject to the provisions of Article XV of the Declaration, setting forth certain voting requirements with respect to any material amendment to these Articles of Incorporation, these Articles of Incorporation may be amended in the manner provided in the North Carolina Nonprofit Corporation Act.

A R T I C L E X I I .
INCORPORATOR

The incorporator is Richard A. Galt, 2533 Raeford Road, Fayetteville, NC 28305.

The undersigned incorporator has executed these Articles of Incorporation this 29th day of February, 2016.



Richard A. Galt
Incorporator