

ARTICLES OF INCORPORATION
OF
CHAPMAN RIDGE HOMEOWNERS' ASSOCIATION, INC.
A NON-PROFIT CORPORATION

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned resident of New Hanover County, North Carolina, who is of full age, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a corporation not for profit and does hereby certify:

ARTICLE I.

Corporate Name. The name of the Corporation is CHAPMAN RIDGE HOMEOWNERS' ASSOCIATION, Inc. hereinafter called the Corporation or the Association.

ARTICLE II.

Duration. The period of duration of the Corporation shall be perpetual.

ARTICLE III.

Registered Office and Agent. The principal and initial registered office of the Corporation is located at 3932 Mayfield Court, New Hanover County, Wilmington, North Carolina 28412; and the name of the initial registered agent of the Corporation at such address is Sandy D. Wood.

ARTICLE IV.

Corporate Purposes. This Corporation does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for the maintenance, management, preservation and architectural control of that certain property known as Chapman Ridge shown and described on the plat thereof recorded or to be recorded in the Office of the Register of Deeds of New Hanover County, North Carolina, and any additions thereto which may be brought within the jurisdiction of the Corporation; and to promote the health, safety and welfare of the Lot Owners, and for these purposes:

(A) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation set forth in that certain Declaration of Covenants, Conditions and Restrictions for Chapman Ridge (the "Declaration"), which is recorded or will be recorded in the Office of the Register of Deeds of New Hanover County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length (all capitalized terms herein shall have the meaning defined in the Declaration);

(B) To fix, levy, collect and enforce payment by any lawful means of all Assessments and other charges pursuant to the terms of the Declaration; to pay all office and 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, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(E) To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members;

(F) To participate in mergers and consolidations with other non-profit corporations organized for the same purposes;

(G) To annex Additional Properties to the Development as provided in the Declaration; and

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

ARTICLE V.

Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot, including contract sellers, shall be a Member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely

as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

ARTICLE VI.

Voting Rights. The Association shall have two classes of voting memberships:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. 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. Fractional voting with respect to any Lot is hereby prohibited.

Class B. The Class B Member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to four (4) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) When the total vote outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) On December 31, 2000; or
- (c) Upon the voluntary surrender of all Class B membership by the Declarant.

ARTICLE VII.

Appointment/Election of Directors. The affairs of this Corporation shall be managed by a Board of Directors. Until such time as 75% of the Lots within the Development have been sold or conveyed by the Developer or until December 31, 2000, whichever occurs first, the Board of Directors or the Corporation shall be appointed by the Developer and the powers and duties of the Board of Directors shall be exercised by the Developer. Otherwise, the number and method of election of Directors shall be as established in the Bylaws.

ARTICLE VIII.

Initial Board of Directors. There shall be three (3) Directors on the initial Board of Directors whose names and addresses are as follows and who shall serve until their successors are selected and qualified:

Sandy D. Wood	3932 Mayfield Court Wilmington, NC 28412
James N. Hunter	3932 Mayfield Court Wilmington, NC 28412
Joy W. Gurley	3932 Mayfield Court Wilmington, NC 28412

ARTICLE IX.

Incorporator. The name and address of the incorporator of this Corporation is:

Sandy D. Wood
3932 Mayfield Court
New Hanover County
Wilmington, NC 28412

ARTICLE X.

Dissolution of the Association. In the event of dissolution of the Association, the residual assets of the Association will be dedicated to a public body or conveyed to one or more organizations with purposes similar to those of the Association which are exempt as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986.

ARTICLE XI.

Amendment. These Articles of Incorporation may be amended only upon the vote of not less than two-thirds (2/3) of the Lot Owners.

ARTICLE XII.

HUD/VA Approval. Annexation of Additional Property, mergers and consolidations, mortgaging of Common Areas, dissolution of the Association and Amendment of these Articles or the Corporation's Bylaws requires the prior approval of HUD/VA so long as there are Class B Members.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of North Carolina, I, the undersigned, being the incorporator of this Corporation, have executed these Articles of Incorporation this the _____ day of _____, 1996.

SANDY D. WOOD
INCORPORATOR

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

This is to certify that on this _____ day of _____, 1996, before me, _____ a Notary Public, personally appeared SANDY D. WOOD 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 notarial seal, this the _____ day of _____, 1996.

Notary Public

My commission expires:

(SEAL)

eastland\chapman\articles.hoa-vms

**CONSENT TO
ACTION WITHOUT MEETING BY THE BOARD OF DIRECTORS OF
CHAPMAN RIDGE HOMEOWNERS' ASSOCIATION, INC.**

We, the undersigned, being all of the Directors of Chapman Ridge Homeowners' Association, Inc., do hereby adopt the following resolutions for the purpose of completing the organization of the Corporation by signing our written consent, hereto:

ADOPTION OF BYLAWS

Resolved, that the Bylaws attached hereto as Exhibit A are hereby adopted as the Bylaws of the Corporation.

ELECTION OF OFFICERS

Resolved, that the following persons be, and they hereby are, elected as the officers of the Corporation to serve as such until their successors have been duly elected and qualified:

James N. Hunter	-	President
Sandy D. Wood	-	Vice President, Asst. Secretary
Joy W. Gurley	-	Secretary, Treasurer

The officers of the Corporation are authorized to take charge of the business of the Association. The officers are further authorized to accept deeds to the Common Areas from the Developer and to incur the expenses to maintain said Common Areas for the benefit of the Association and its Members.

Resolved further, that these resolutions shall remain in effect until rescinded or modified by resolution of the Board of Directors of the Corporation.

This action is effective, this the ____ day of _____, 1996.

James N. Hunter, Director

Sandy D. Wood, Director

Joy W. Gurley, Director