

**THE STAFFORD CONDOMINIUM ASSOCIATION,
ARTICLES OF INCORPORATION**

The undersigned, being of the age of eighteen years or more, does hereby make and acknowledge these Articles of Incorporation ("Articles") for the purpose of forming a nonprofit corporation under Chapter 55A of the General Statutes of North Carolina ("N.C.G.S."), as amended, and does hereby set forth:

**Article I
Name**

The name of this nonprofit corporation is **The Stafford Condominium Association, Inc.** ("Association").

**Article II
Address and Agent**

This Association's initial registered office is located in Wake County, North Carolina, with the mailing address as follows: 2204 The Stafford Avenue, Raleigh, NC 27607.

The Association's initial registered agent at the above address is Doro Taylor.

The principal office of the Association is located in Wake County, North Carolina, with the mailing and street address of 2204 The Stafford Avenue, Raleigh, NC 27607.

**Article III
Incorporator**

The name and address of the incorporator for the Association is Kelly J. Mackay, 343 South White Street, Wake Forest, North Carolina 27588.

**Article IV
Membership & Voting Rights**

BALLYBUNNION, LLC, a North Carolina limited liability company, its successors and assigns; and EDENTON STREET VENTURES, LLC, a North Carolina limited liability company, its successors and assigns (collectively the "Declarant"), for so long as they shall be a record owners of fee simple title to any condominium unit ("Unit"), and every person or entity who is a record owner of a fee or undivided fee interest in any Unit which is subject to covenants of record or to assessment by the Association, including contract sellers, shall be a Member of the Association, or following termination of the

Condominium (defined hereinafter), all persons entitled to distribution of proceeds pursuant to N.C.G.S. § 47C-2-118, as security for the performance of an obligation. The foregoing is not intended to include persons or entities who hold an interest as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. Ownership such Units shall be the sole qualification for membership.

The Member or Members shall be entitled in the aggregate to the number of votes allocated to such member in the Declaration (as defined below). The vote or votes for the Unit(s) shall be exercised, as each Member shall determine. The right vote of any Member can be suspended by the Board of Directors for just cause pursuant to the Association's Bylaws.

The right of lessees to vote shall be determined in accordance with their leases. If a lessee's lease is, silent as to this issue, then the lessee has no right to vote.

Article V Purpose and Powers

The Association shall have the following general powers, and any other powers 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.

The Association is organized and shall be operated exclusively for:

- (a) the purpose of promoting, enhancing, operating, maintaining, managing, and protecting the condominium now or to be hereinafter established pursuant to the provisions of the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes, as amended (the "Act"), which condominium shall be known as The Stafford, together with all the buildings and improvements now and hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real property (the "Condominium");
- (b) the purpose of exercising all of the rights, duties, and obligations which may be granted or imposed upon the Association pursuant to law or the Declaration;
- (c) 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 Condominium establishing The Stafford (referred to herein as the "Declaration"), applicable to the property and recorded or to be recorded in the Office of the Register of

Deeds of Wake County, North Carolina, as the same may be amended from the time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

- (d) to enforce the covenants, restrictions, and easements provided in the Declaration;
- (e) to fix, levy collect and enforce payment by any lawful means, all charges and assessments pursuant to the terms of the Declaration; to pay all expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charge levied or imposed against the property of the Association;
- (f) to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, exchange, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (g) 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 be the provisions and requirements of the Declaration;
- (h) to exercise all of the powers, rights, and privileges set forth in Section 47C-3-102(a) of the North Carolina General Statutes; and
- (i) to do any and all acts and activities permitted to be done by, and to have to exercise any and all powers, rights and privileges which are granted to an Association under the Act, the Declaration, the Bylaws, and to a nonprofit corporation under the laws of the State of North Carolina.

The foregoing statement of purpose shall be construed as a statement both of purposes and of powers, and the purposes and powers in each clause shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. The Association shall not, except to insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

Article VI Management and Regulation

The affairs of the Association shall be managed by a Board of Directors of no less than two (2) and no more than five (5) who need not be members of the Association, except as otherwise provided in N.C.G.S. § 47C-3-103(f), as amended.

Article VII
Elimination of Liability

A Director shall not be personally liable for monetary damages arising out of an action whether by or in the right of the Association or otherwise for the breach of any duty as a Director. This provision is in addition to the immunity set forth in N.C.G.S. §55A-8-60.

The foregoing elimination of personal liability shall not be effective with respect to: (a) acts or omissions that such Director, at the time of the breach, knew or believed were clearly in conflict with the best interests of the Association; (b) any liability under N.C.G.S. § 55A-8-32 or § 55A-8-33; (c) any transaction from which the Director derived an improper personal financial benefit; and (d) acts or omissions occurring prior to the date this provision became effective.

Article VIII
Distribution of Assets Upon Dissolution

The association may be dissolved with the written consent if not less than seventy-five percent (75%) of the entire Membership. Upon dissolution, the Board of Directors shall adopt a plan of dissolution in accordance with N.C.G.S. § 55A-14-03. Upon dissolution of the Association, a dedication of the Common Elements (as defined in the Declaration) as they then exist for public use for purposes similar to those to which they were required to be devoted by the Association, shall be offered the appropriate unit of local government and the areas thus dedicated shall be conveyed to the local government unit, provided that such dedication shall be subject to the superior right of the owner of each Unit to an easement for reasonable ingress and egress between its Unit and the public street as well as an easement for the exclusive use of the Limited Common Elements assigned to each Owner's Unit. In the event that the local government unit refuses to accept such dedication and conveyance, such assets shall be granted and conveyed in accordance with the plan of dissolution. In the event of dissolution, no member, director or officer of the Association or any private individual shall be entitled to share in the distribution of the assets of the Association.

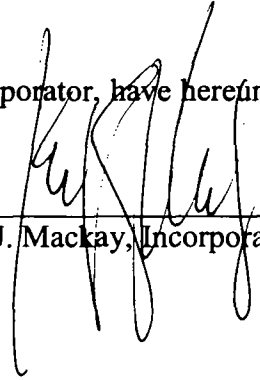
Article IX
Duration

The duration of the Association shall be perpetual.

Article X
Amendment

Amendment of these Articles shall require the assent of Members or proxies entitled to cast three-fourths (3/4) of the entire vote of the membership.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand, this 14th day of September, 2004.



Kelly J. Mackay, Incorporator (Seal)