

MAIL TO:
SMITH, DEBNAM, HIBBERT & PAUL
STATESBORO OFFICE CENTER
P. O. BOX 515
ZEBULON, N. C. 27597



State of North Carolina

Department
of the
Secretary of State

PRESENTED
FOR
REGISTRATION
JUL 19 4 28 PM '04
KENNETH O. WILKINS
REGISTER OF DEEDS
WAKE COUNTY, NC

To all to whom these presents shall come, Greeting:

I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached (9 sheets) to be a true copy of

ARTICLES OF INCORPORATION

OF

COLONIAL HEIGHTS TOWNHOUSES ASSOCIATION

and the probates thereon, the original of which was filed in this office on the 18th day of July 19 04, after having been found to conform to law.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

Done in Office, at Raleigh, this 18th day of July in the year of our Lord 19 04.



Thad Eure
Secretary of State
By *[Signature]*
Deputy Secretary of State

ARTICLES OF INCORPORATION 310609
OF
COLONIAL HEIGHTS TOWNHOUSES ASSOCIATION

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Jul 10 1984
In compliance with the requirements of the laws of the State of
North Carolina, the undersigned, all of whom are residents of Wake County,
SECRETARY OF STATE
North Carolina, and of full age, does this day form a corporation not for
profit and does hereby certify:

ARTICLE I

The name of the corporation is COLONIAL HEIGHTS TOWNHOUSES
ASSOCIATION, hereafter called the "Association".

ARTICLE II

The principal office of the Association is located at 116 Windchime
Court, Raleigh, Wake County, North Carolina 27609.

ARTICLE III

Fred J. Smith, Jr., whose address is 116 Windchime Court, Raleigh,
North Carolina 27609, is hereby appointed the initial registered agent of
this Association. The initial registered office is 116 Windchime Court,
Raleigh, Wake County, North Carolina 27609

ARTICLE IV

PURPOSE AND POWERS 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 maintenance, preservation and architectural control of the
residence lots and common area within that certain tract of property as
shown on the map recorded in Book of Maps 1984, Page 835, Wake County
Registry, and any other properties which may be subsequently annexed
thereto, and to promote the health, safety and welfare of the residents
within the above-described property. The Association shall have the
following general powers and any other 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 those 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, hereinafter called 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, 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;

(b) To fix, levy, collect and enforce payments 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 all licenses, taxes or governmental charges levied or imposed against the property of the Association, subject always to the provisions and requirements of the Declaration;

(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 and limitations imposed by law.

(d) To borrow money, to 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 requirements of the Declaration; and

(e) 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

SUPREME BUILDERS, INC., 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 assessment 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. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE VI

VOTING RIGHTS

Section 1. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners as defined in Article V with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article V. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lots shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional votes may be cast with respect to any Lot.

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Class B. The Class B member shall be the Declarant as defined in the Declaration. The Class B member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article V, 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 the Class A membership equal the total votes outstanding in the Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in Subparagraph (b) below, such additional lands are annexed to the properties without the assent of Class A members as provided in the Declaration, or

(b) On December 31, 1987.

Section 2. 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 according to the provisions of Article V, Section 1(d).

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. The number of Directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

NAME	ADDRESS
Harold Glenn Carroll	Route 1, Glen Echo Garner, North Carolina 27529
Jean K. Carroll	Route 1, Glen Echo Garner, North Carolina 27529
Harold Glenn Carroll, Jr.	Route 1, Glen Echo Garner, North Carolina 27529

At the first annual meeting the members shall elect three directors for a term of one year. Voting shall be by secret ballot and those persons who receive the highest number of votes shall be deemed to have been elected.

ARTICLE VIII

EXCHANGE OF COMMON AREA

The Association, acting through its Board, from time to time may exchange with Declarant or any member a portion of the Common Area for a portion of the real property owned by such member within the real estate shown on the aforesaid map, provided that the real property acquired by the Association in the exchange: (a) is free and clear of all encumbrances except 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 Declaration except those applicable to the Common Area. The portion of the Common Area so acquired by Declarant or a member, without further act of the Association or membership, shall cease to be Common Area and shall be subject to those provisions of the Declaration that were applicable to the real property conveyed to the Association by the member.

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

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the same or similar purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE X

AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Area defined in the Declaration shall have the assent of members entitled to cast two-thirds (2/3) of the votes of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE XI

AUTHORITY TO DEDICATE

The Association shall have power 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. No such dedication or transfer shall be effective unless an instrument has been signed by members entitled to cast two-thirds (2/3) of the votes of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any, agreeing to such dedication, sale or transfer.

As to lenders and purchasers for value, the certification by the Secretary of the Association that the required number of members have executed instruments in conformity with this Article, shall be conclusive as to the fact recited by such certification and shall be binding upon the Association and all of its members.

ARTICLE XII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

Upon dissolution of the Association, a dedication of the Common Areas as they then exist for public use for purposes as similar to those to which they were required to be devoted by the Association, shall be offered to the appropriate unit of local government and the area thus dedicated shall be conveyed to the local governmental unit, provided that such dedication shall be 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 the exclusive use of Limited Common Area assigned to such owner's Lot and for reasonable off-street parking area to accompany his Lot; and provided further, that the Association may in its discretion designate the boundaries of said egress which shall accompany each Lot. In the event that the local governmental unit refuses to accept such dedication and conveyance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association. This corporation shall have no capital stock. In the event of dissolution, no member, director or officer of the Corporation or any private individual shall be entitled to share in the distribution of the assets of this Corporation.

ARTICLE XIII

DURATION

The corporation shall exist perpetually.

ARTICLE XIV

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 percent (75%) of the entire vote of the Class A and 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 seven-five percent (75%) of the entire Class A membership.

Section 2. Amendment by Declarant or Association. These Articles may be amended by the Declarant prior to conversion of Class B to Class A membership and, 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, or government sponsored agency, including without limitation, the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.

ARTICLE XI

FHA/VA APPROVAL

Notwithstanding any provisions in this instrument to the contrary, as long as there is a Class B membership, and if Declarant desires to qualify sections of this subdivision for Federal Housing Administration or Veterans Administration approval (but not otherwise), the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Areas, exchange of Common Area for other portions of the Properties and the amendment of these Article of Incorporation.

The name and address of the incorporator is W. Thurston Debnam, Jr., 1014 N. Arendell Avenue, Zebulon, Wake County, North Carolina 27597.

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IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this the 3rd day of April, 1984.

W. Thurston Debnam, Jr. (SEAL)
W. Thurston Debnam, Jr.
P.O. Box 515
Zebulon, N.C. 27597

North Carolina

Wake County

I, Debra Denton Strickland, a Notary Public in and of said county and state do hereby certify that W. Thurston Debnam, Jr. personally appeared before me and acknowledged the due execution of the foregoing Articles.

Witness my hand and notary seal this the 3rd day of April, 1984.

My Commission Expires:

7-4-88

Debra D. Strickland
Notary Public

