

PREPARED BY AND MAIL TO:
MAUPIN, TAYLOR, ELLIS & ADAMS
POST OFFICE BOX 19764
RALEIGH, NORTH CAROLINA 27619

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RUFUS L. EDWARDS
SECRETARY OF STATE
NORTH CAROLINA

STATE OF INCORPORATION
OF
BROOKGREEN HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of the laws of the State of North Carolina, the undersigned, a resident of Wake County, 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 BROOKGREEN HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

The principal and initial registered office of the Association is located at 2700 Wycliff Road, Raleigh, Wake County, North Carolina 27607.

ARTICLE III

R. Randolph Reid, whose address is 2700 Wycliff Road, Raleigh, North Carolina 27607, is hereby appointed the initial registered agent of this Association.

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 and preservation of certain areas within that certain tract of property commonly known as Brookgreen Subdivision, as shown on maps recorded in 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 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 Protective Covenants, Conditions and Restrictions of Brookgreen, 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, of all charges or assessments pursuant to 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.

(f) Notwithstanding any other provision of these Articles or the Bylaws, the Association shall have no power to declare dividends, and no part of its net earnings shall inure to the benefit of any member, director, or officer of the Association, or to any individual (except that reasonable compensation may be paid for services rendered to or for the Association effecting one or more of its purposes), and no member, director or officer of the Association, or any individual shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the Association;

ARTICLE V

MEMBERSHIP

The New Fortis Corporation, a North Carolina Corporation, 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; however, any creditor of an Owner of a Lot who acquires title to the Property or any portion thereof pursuant to a foreclosure or any other proceeding or deed in lieu of foreclosure shall be a member of the Association. 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. 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 those 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 hold 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 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 Class A membership equal the total votes outstanding in 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 June 1, 1995.

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.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than three (3) nor more than nine (9) 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 directors until the selection and qualification of their successors are:

NAME

R. Randolph Reid

ADDRESS

2700 Wycliff Road
Raleigh, North Carolina 27607

Steve Hamalainen

2700 Wycliff Road
Raleigh, North Carolina 27607

Samuel D. Burns

2700 Wycliff Road
Raleigh, North Carolina 27607

At the first annual meeting the members shall elect one-third of the directors for a term of one year, one-third of the directors for a term of two years and one-third of the directors for a term of three years; and at such annual meeting thereafter the members shall elect one-third of the directors for a term of three years to serve until their successors are elected and qualified.

ARTICLE VIII

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 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 IX

AUTHORITY TO MORTGAGE

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

ARTICLE X

AUTHORITY TO DEDICATE OR CONVEY

The Association shall have power to dedicate or convey all or any part of the Common Area for such purposes and subject to such conditions as may be agreed to by the Board of Directors. No such dedication or conveyance shall be effective unless assent in writing has been given by members or proxies entitled to cast two-thirds (2/3) of the votes of the entire Class A membership and two-thirds (2/3) of the votes of the entire Class B membership, if any, agreeing to such dedication or conveyance.

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 XI

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than seventy percent (70%) of the entire Class A membership and seventy percent (70%) of the entire Class B membership, if any. In the event of dissolution the Association's assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to 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 XII

DURATION

The corporation shall exist perpetually.

ARTICLE XIII

AMENDMENTS

Any amendment of these Articles shall require the assent of members or proxies entitled to cast sixty-six and two-thirds percent (66-2/3%) of the entire vote of the membership.

Such amendment shall be executed in the name of the Association by the President (or Vice-President) and by the Secretary (or Assistant Secretary) of the Association and recorded in the Office of the Register of Deeds of Wake County. No such amendment shall be effective until recorded as aforesaid.

ARTICLE XIV

FHA/VA APPROVAL

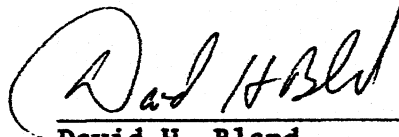
Notwithstanding any provisions in this instrument to the contrary, as long as there is a Class B membership, and if Declarant desires to qualify sections of this subdivision for Federal Housing Administration or Department of Veterans Affairs approval (but not otherwise), the following actions will require the prior approval of Federal Housing Administration or the Department of Veterans Affairs: Annexation of additional

properties, amendment of these Articles of Incorporation, mergers and consolidations and dissolution.

ARTICLE XV

The name and address of the incorporator is David H. Bland, 3201 Glenwood Avenue, Raleigh, North Carolina 27612.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of North Carolina, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this the 16th day of July, 1990.



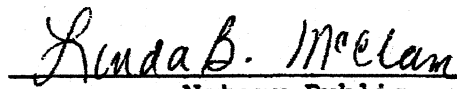
David H. Bland (SEAL)

NORTH CAROLINA

WAKE COUNTY

I, the undersigned, a Notary Public in and for the said State and County, do hereby certify that David H. Bland personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

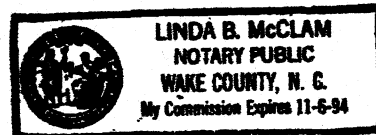
WITNESS my hand and notarial seal this the 16th day of July, 1990.



Notary Public

My Commission Expires:

11-6-94



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