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Raleigh, NC 27605-0096

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State of North Carolina



Department
of the
Secretary of State

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ANNEH 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 (7 sheets) to be a true copy of

ARTICLES OF INCORPORATION

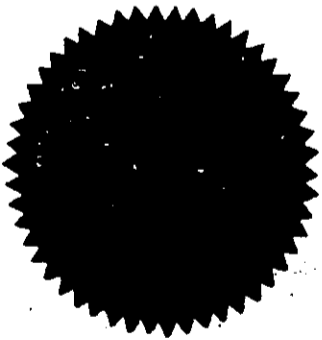
OF

COLONIAL TOWNES ASSOCIATION OF CARY, INC.

and the probates thereon, the original of which was filed in this office on the 23rd day of August, 19 84, 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 23rd day of August, in the year of our Lord 19 84.



Thad Eure
Secretary of State
[Signature]
Secretary of State

312450

Mail to: ROBERT W. WILSON, JR.
 P.O. BOX 10096
 RALEIGH, N.C. 27602-0096
 Prepared by: *Ernest C. [unclear]*
Marble & Leonard, Attys

Aug 23 11 19 AM '84

ARTICLES OF INCORPORATION
 OF

FILED
 TRADE
 SECRETARY OF STATE
 WAKE COUNTY, N.C.

COLONIAL TOWNES ASSOCIATION OF CARY, INC.

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this date executed these Articles of Incorporation for the purpose of forming a nonprofit corporation and hereby certifies:

ARTICLE I.
NAME

The name of the corporation is Colonial Townes Association of Cary, Inc., hereinafter called the "Association".

ARTICLE II.
REGISTERED OFFICE

The initial registered office of the Association is located at 1901 North Harrison Avenue, Cary, North Carolina 27511.
Wake County

ARTICLE III.
REGISTERED AGENT

E. B. Hanly, III, whose address is 1901 N. Harrison Avenue, Cary, Wake County, North Carolina, 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, preservation and architectural control of the Lots and Common Area within that certain tract of property described on Exhibit "A" attached hereto, and by this reference, made a part hereof; and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and for this purpose to:

(a) 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) fix, levy, collect and enforce payment 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;

(c) 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;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; provided, however, the rights of the holder of any such security interest shall be subordinate to the rights of the homeowners hereunder.

(e) 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 two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes provided that any such merger or consolidation shall have the interest of two-thirds (2/3) of each class of members;

(g) annex additional residential property and Common Area pursuant to the provisions of Article X, Section 4 of the Declaration; and

(h) 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 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 contract sellers, shall be a voting 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. Such membership shall be appurtenant to and may not be separated from the ownership of any lot which is subject to assessment by the Association.

**ARTICLE VI.
VOTING RIGHTS**

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant (the Declarant, however, shall become a Class A member upon the conversion of its Class B membership to Class A membership as hereinafter provided). Class A members 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 each 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.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership from each recorded section of the property subject to the jurisdiction of the Association 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 from a recorded section of said property shall equal the total votes outstanding in the Class B membership, or

(b) upon ten (10) years after the date of the recording of the Declaration.

With the recording of new sections of Colonial Townes and the annexation of additional lands subject to the jurisdiction of the Association, new Class A and Class B memberships shall be created.

**ARTICLE VII.
BOARD OF DIRECTORS**

The affairs of this Association shall be managed by a Board of five (5) 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:

<u>NAME</u>	<u>ADDRESS</u>
E. B. Manly, III	1901 North Harrison Avenue Cary, North Carolina 27511
Gary Hill	405 Parkway Avenue Greensboro, North Carolina 27405
Carolyn P. Sharpe	405 Parkway Avenue Greensboro, North Carolina 27405
Rosemary Gray	1901 North Harrison Avenue Cary, North Carolina 27511
Tommy Drake	1901 North Harrison Avenue Cary, North Carolina 27511

At the first annual meeting the Members shall elect one director for a term of one year, two directors for a term of two years, and two directors for a term of three years; and at each annual meeting thereafter the Members shall elect directors to coincide with the director or directors whose term expires that year.

**ARTICLE VIII.
DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of voting members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX.
DURATION

The corporation shall exist perpetually.

ARTICLE X.
AMENDMENTS

Amendment to these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE XI.
FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration of the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment to these Articles.

ARTICLE XII.
INCORPORATION

The name and address of the incorporator is as follows:

Robert W. Wilson, Jr. 615 Oberlin Road
Raleigh, North Carolina 27605

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this the 22nd day of AUGUST, 1984.

Robert W. Wilson, Jr. (SEAL)

NORTH CAROLINA

WAKE COUNTY

This is to certify that on the 22 day of August, 1984, before me, Ronald J. Kelly, a Notary Public, who, I am satisfied is the person named in and who executed the foregoing Articles of Incorporation of Colonial Townes Association of Cary, and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 22 day of August, 1984.

Ronald J. Kelly
Notary Public



My Commission Expires:

8/5/85

EXHIBIT A

Being all of the property containing 2.905 acres including Building Blocks, the right of way of Assembly Ct., and that portion of the right of way of Colonial Townes Ct. located within the property, all as shown on Map entitled "Phase One, Colonial Townes Westminster Co., owner, Cary, N.C." dated December 8, 1983, prepared by John Y. Phelps, Jr. - Registered Land Surveyor and recorded in Book of Maps 1983, Page 1559, Wake County Registry; Together with the right of ingress and egress along Colonial Townes Ct. from Cary Parkway to Assembly Ct.