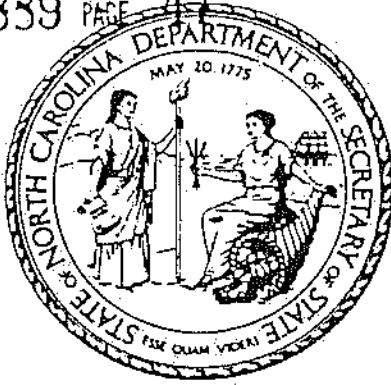


Return to: Robert W. Welser
Fountain Springs
P.O. Box 1009
Raleigh, NC 27



State of North Carolina

Department
of the
Secretary of State

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 (8 sheets) to be a true copy of

ARTICLES OF INCORPORATION

OF

PINE WINDS TOWNHOMES HOMEOWNER'S ASSOCIATION, INC

PRESENTED FOR REGISTRATION
NOV 11 4 26 PM '86
NORTH CAROLINA
REGISTER OF DEEDS
WAKE COUNTY

and the probates thereon, the original of which was filed in this office on the 11th day of December 1986, 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 11th day of December in the year of our Lord 1986.



**State
of
North Carolina**

This is to certify that the foregoing is a true and correct copy of the original as it appears in the records of the Secretary of State of North Carolina, and that the same has been examined and found to be correct. This certificate is given under the seal of the Secretary of State of North Carolina, and the violation of any such rights.

**Certified Copy
from
The Department of The
Secretary of State
to be Recorded
with the
Register of Deeds
of County of
Registered Office**

7009

ARTICLES OF INCORPORATION

OF

PINE WINDS TOWNHOMES HOMEOWNER'S ASSOCIATION, INC.

1971-1972
1973-1974
1975-1976
1977-1978
1979-1980
1981-1982
1983-1984
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2019-2020
2021-2022
2023-2024
2025-2026
2027-2028
2029-2030

We, the undersigned natural persons of the age of twenty-one (21) years or more, do hereby associate ourselves into a non-profit corporation under the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, entitled "Non-Profit Corporation Act", and the several amendments thereto, do hereby make, sign, and acknowledge these Articles of Incorporation, and to that end do hereby set forth:

ARTICLE I

The name of the corporation is Pine Winds Townhomes Homeowner's Association, Inc., hereinafter called the "Association".

ARTICLE II

The principal and registered office of the Association is located at 2327 1/2 Grant Ave., Wake County, Raleigh, North Carolina 27608.

ARTICLE III

John C. Converse whose address is 2327 1/2 Grant Ave., Raleigh, Wake County, North Carolina 27608 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 residence Lots and Common Area within that certain tract or property described as follows:

Being all of TH-BLK 101 through TH-BLK 111 inclusive, together with the area designated as "Open Space" according to map entitled "Pine Winds Subdivision - Phase One Section 1 (Townhouse Section)," dated 7/29/86, prepared by Municipal Engineering Services Co., P.A., consulting engineers, and recorded in Book of Maps 1986, Page 1929, Wake County Registry.

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 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 Wake County Register of Deeds and as to 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 the 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;

(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 or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation

shall have the assent of two-thirds (2/3) of each class of members;

(g) 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.

(h) contract with the owners of recreational facilities for the use of such facilities by the members of the Association.

ARTICLE V

MEMBERSHIP

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.

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 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. No fractional vote shall be allowed.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. 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 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 on account of the development of such additional lands by the Declarant, all as provided for in Article VII, Section 2 of the Declaration, or

(b) January 1, 1992

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:

| | |
|-----------------------|--|
| John C. Converse | 2327½ Grant Avenue Raleigh, N.C. 27608 |
| Elizabeth W. Converse | 2327½ Grant Avenue Raleigh, N.C. 27608 |
| Thomas L. Fonville | 4505 Falls of the Neuse Road Somerset Bldg., Suite 350 Raleigh, N.C. 27609 |
| Gertrude W. Ferenczi | 4505 Falls of the Neuse Road Somerset Bldg., Suite 350 Raleigh, N.C. 27609 |
| William V. Hess | 4505 Falls of the Neuse Road Somerset Bldg., Suite 350 Raleigh, N.C. 27609 |

At the first annual meeting the members shall elect two directors for a term of one year, two directors for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect directors for the terms expiring that year for a term of two years.

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 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 of 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 written approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XII

INCORPORATOR

| <u>Name</u> | <u>Address</u> |
|-----------------------|---|
| Robert-W. Wilson, Jr. | 3600 Glenwood Avenue Raleigh, North Carolina |

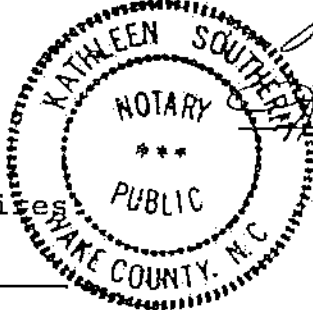
IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this 1st day of December, 1986.

Robert W. Wilson, Jr.

STATE OF NORTH CAROLINA
COUNTY OF WAKE

THIS IS TO CERTIFY, that on the first day of December, 1986, before me, a Notary Public, personally appeared Robert W. Wilson, Jr., 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 official seal, this the first day of December, 1986.



Kathleen Southern
Notary Public

My commission expires

8/12/90