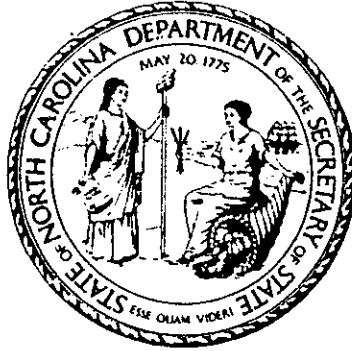


MAIL TO:  
SMITH, DEBNAM, HIBBERT & PAHL  
STATESBORO OFFICE CENTER  
P. O. BOX 515  
ZEBULON, N. C. 27597

BOOK 3777 PAGE 231



# 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 ( 9 sheets) to be a true copy of

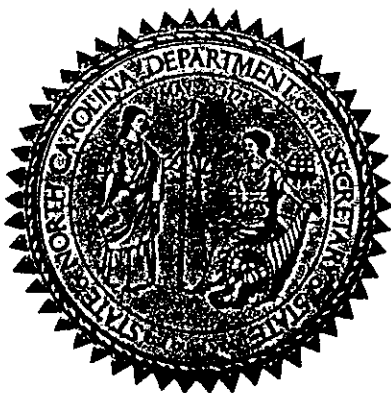
ARTICLES OF INCORPORATION  
OF  
SMOKETREE TOWNHOMES ASSOCIATION

PRESENTED  
FOR  
REGISTRATION  
JUL 18 1 06 PM '86  
HENRICH C. WILKINS  
REGISTER OF DEEDS  
WAKE COUNTY, NC

and the probates thereon, the original of which was  
filed in this office on the 10th day of July 19<sub>86</sub>,  
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 10th day  
of July in the year of our Lord 19<sub>86</sub>.



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

BOOK 3777 PAGE 232

ARTICLES OF INCORPORATION  
OF  
SMOKETREE TOWNHOMES ASSOCIATION

DOCUMENT #384566  
DATE 07/10/86 TIME 10:02  
FILED  
THAD EURE  
SECRETARY OF STATE  
NORTH CAROLINA

In compliance with the requirements of the laws of the State of North Carolina, the undersigned, all of whom are residents 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 SMOKETREE TOWNHOMES ASSOCIATION, hereafter called the "Association".

ARTICLE II

The principal office of the Association is located at 2305 Millbrook Road, Raleigh, Wake County, North Carolina 27658.

ARTICLE III

W. Thurston Debnam, Jr., whose address is 1014 N. Arendell Avenue, Zebulon, Wake County, North Carolina 27597, is hereby appointed the initial registered agent of this Association and the registered office shall be at 1014 North Arendell Avenue, Zebulon, Wake County, North Carolina 27597.

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 that certain tract of land as described in "Exhibit A" attached hereto, 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

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 with the exception of the Declarant as defined in Article V. 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.

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 the Class A membership equal the total votes outstanding the Class B. membership; or

(b) on December 31, 1988.

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 name and address of the person who is to act in the capacity of directors until the selection of his successors is:

<u>NAME</u>	<u>ADDRESS</u>
W. Thurston Debnam, Jr.	1014 North Arendell Avenue Zebulon, North Carolina 27597
William E. Parrish	502 Stratford Drive Zebulon, North Carolina 27597
C. Terry Perry	2305 Millbrook Road Raleigh, North Carolina 27658

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.

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 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.

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 and Class B membership.

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 and Class B membership.

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 and Class B membership. Upon dissolution of the Association, a dedication of the Common Areas as they 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;

BOOK 3777 PAGE 238

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

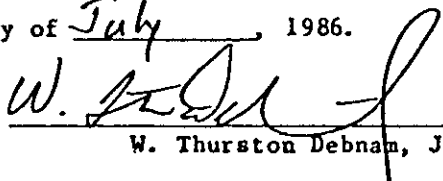
AMENDMENTS

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.

ARTICLE XV

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

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 9<sup>th</sup> day of July, 1986.

  
\_\_\_\_\_  
W. Thurston Debnam, Jr. (SEAL)



North Carolina

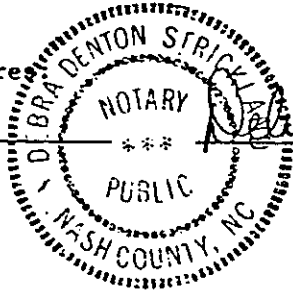
Wake County

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 9<sup>th</sup> day of July, 1986.

My Commission Expires

1-17-87



Debra Denton Strickland

Notary Public

BOOK 3777 PAGE 240

EXHIBIT A

BEGINNING at an iron stake in the southern right of way line of Jacqueline Lane, said point of beginning being designated as N.C. State Plane Coordinates N (Y) 774, 997.02 E (X) 2, 127,772.04; runs thence from said point of beginning in an arc deflecting to the left having a radius of 1305.00 feet a chord distance of 93.52 feet; runs thence in an arc deflecting to the left having a radius of 1305.00 feet a chord distance of 325.27 feet to a point; runs thence in an arc deflecting to the left having a radius of 1305.00 feet a chord distance of 15.13 feet to an iron stake; runs thence South 04 degrees 53 minutes 16 seconds West 172.44 feet to an iron stake; runs thence North 82 degrees 10 minutes 54 seconds West 515.90 feet to an iron stake; runs thence North 125 degrees 19 minutes 05 seconds East 288.17 feet to an iron stake in the southern right of way line of Jacqueline Lane, the point and place of beginning, being all of that area containing 2.328 acres as shown by map and survey of Land Tech, entitled "Smoketree Townhome Blocks A, B, C, D & E, Lots T1 thru T19", Neuse Township, Wake County, North Carolina.