

STATE OF NORTH CAROLINA



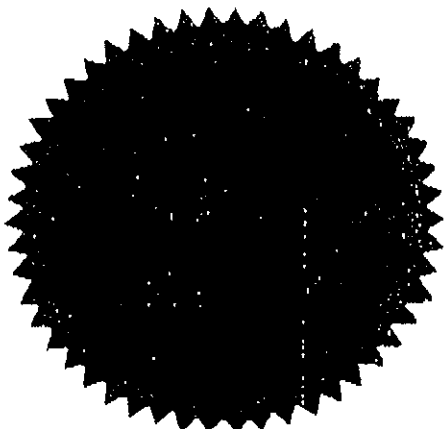
Department of The
Secretary of State

To all whom these presents shall come, Greetings:

I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION OF TRAILWOOD HEIGHTS CONDOMINIUM ASSOCIATION, INC.

the original of which was filed in this office on the 9th day of June, 1999.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 9th day of June, 1999.

Elaine F. Marshall

Secretary of State

CORP ID # 0496283

FILED

9:13 am
JUN 09 1999

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Effective
ELAINE F. MESSING
SECRETARY OF STATE
NORTH CAROLINA

ARTICLES OF INCORPORATION
OF
TRAILWOOD HEIGHTS CONDOMINIUM ASSOCIATION, INC.

a North Carolina nonprofit corporation

The undersigned, BILL CLARK HOMES OF RALEIGH, LLC, A North Carolina Limited Liability Company, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of the laws of the State of North Carolina.

ARTICLE I - NAME

The name of the corporation is TRAILWOOD HEIGHTS CONDOMINIUM ASSOCIATION, INC. hereinafter called the "Association".

ARTICLE II - DURATION

The Association's period of duration shall be concurrent with the period during which that certain Declaration of Covenants and Restrictions for Trailwood Heights Condominiums recorded in the Wake County Registry (hereinafter referred to as the "Declaration") shall affect or restrict the use of the properties described therein as more specifically set forth on Exhibit A hereto which is incorporated herein by this reference or until the Association shall be sooner terminated pursuant to these Articles. All definitions set forth in Article I of the Declaration shall have the same meanings as set forth herein in these Articles of Incorporation.

ARTICLE III - PRINCIPAL & REGISTERED OFFICE AND AGENT

The address of the initial principal and registered office of the Association is 1401 Sunday Drive, Suite 101, Raleigh, NC 27607. The name of the initial registered agent at that address is Clyde McKinney. The office is located in Wake County.

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 Common Area within that certain tract of property described on Exhibit "A" hereto, to which reference is made for a more complete description, and to promote the health, safety and welfare of the Owners within the above described property and any additions thereto as may hereafter be made subject to the Declaration, and 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 and as the same may be amended from time to time as therein provided.

(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 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, which mortgage, pledge, deed of trust or hypothecation if the security is Common Area, shall be subject to the rights and easements of the Owners.

(e) Dedicate sell or transfer all or 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, but 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 Properties and Common Area, provided that any such merger, consolidation or annexation shall be effected as provided in the Declaration.

(g) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of North Carolina, G.S. 55-A3-01, et. seq., by law may now or hereafter have or exercise.

The owners of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration.

ARTICLE V - NON-PROFIT ASSOCIATION

No part of the net earnings of the Association shall inure to the benefit of any officer, director or Member of the Association. All funds and property acquired by the Association and the proceeds therefrom shall be held only for the benefit of the Members of the Association in accordance with the provisions of the Declaration.

ARTICLE VI - MEMBERSHIP

Every person or entitle who is a record Owner of a Unit or undivided fee interest in any Unit which is subject by covenants of record to assessment by the Association, including sellers by installment contracts, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in any Unit merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association.

ARTICLE VII - 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 Unit owned. When more than one person holds an interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one vote or a fractional vote be cast with respect to any Unit.

Class B. Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to four (4) votes for each Unit owned. The Class B Membership shall cease and be converted to Class A membership on the happening of either of the following event, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding the Class B membership, such Class B membership shall be reinstated by the recordation of a subdivision map of the Properties which creates additional Condominium Units, but in no event shall such Class B membership extend beyond the time stated in Subparagraph (b) in this Section; or

(b) On September 1, 2005.

ARTICLE VIII - BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than five (5) and not more than nine (9) 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 address of the persons who are to act in the capacity of the initial directors until the selection of their successors at the first meeting of the Association are:

<u>DIRECTOR</u>	<u>ADDRESS</u>
William H. Clark	200 E. Arlington Blvd. Suite R Greenville, NC 27858
Clyde McKinney	P. O. Box 31028 Raleigh, NC 27622
Elaine Bridgers	P. O. Box 31028 Raleigh, NC 27622
Gertrud McKinney	P. O. Box 31028 Raleigh, NC 27622
Jordy Smith	P. O. Box 31028 Raleigh, NC 27622

At the first annual meeting the Members shall elect a director for a term of one (1) year, a director for a terms of two (2) years and a director for a terms of three (3) years; and at each annual meeting thereafter the Members shall elect one director for a term of three years.

ARTICLE IX - DISSOLUTION

This 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 first be offered to the public and thereafter if such offer is not accepted, 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 X - AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of each class of membership entitled to vote thereon.

ARTICLE XI - FHA/VA/FNMA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Authority, Veterans Administration or Federal National Mortgage Association: Annexation of additional properties; mergers and

consolidations; deeding in trust the Common Areas; dedication of Common Area; and, dissolution and amendment of these Articles.

ARTICLE XIII - INCORPORATOR

The name and address of the incorporator of the Association is: Richard G. Singer, 4900 Falls of Neuse Road, Suite 160, Raleigh, Wake County, NC 27609.

IN WITNESS WHEREOF, I have set my hand and seal this the 18 day of May, 1999.

Richard G. Singer (SEAL)
Richard G. Singer

STATE OF NORTH CAROLINA
COUNTY OF WAKE

THIS is to certify that on the 18 day of May, 1999, before me a Notary Public, personally appeared Richard G. Singer, who I know to be the person named in and who executed the foregoing Articles of Incorporation of TRAILWOOD HEIGHTS CONDOMINIUM ASSOCIATION, INC., a corporation not for profit, and I have first made known to him the contents thereof, he did acknowledge that he signed and delivered the same as his voluntary act and did for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal or stamp this the 18 day of May, 1999.

Elizabeth J. Hart
Notary Public

My Commission Expires: 06-18-02

EXHIBIT "A"

BEING all of Phase 1, Phase 2, Building 1, Units A-L, Phase 3, Building 2, Units A-L, Phase 4, Building 12, Units A-J; Phase 5, Building 11, Units A-L; Phase 6, Building 10, Units A-L; Phase 7, Building 3, Units A-L, Phase 8, Building 4, Units A-L, Phase 9, Building 5, Units A-L, Phase 10, Building 6, Units A-L, Phase 11, Building 7, Units A-L, Phase 12, Building 8, Units A-L, and Phase 13, Building 9, Units A-L, Trailwood Heights Condominiums, as recorded in Condo File _____, Wake County Registry.

For purpose of further reference, said property is depicted as Phases 1, and 2-13, on that certain Release Plat for Trailwood Heights drawn by Bass, Nixon & Kennedy, Inc., dated March 15, 1999