

STATE OF NORTH CAROLINA



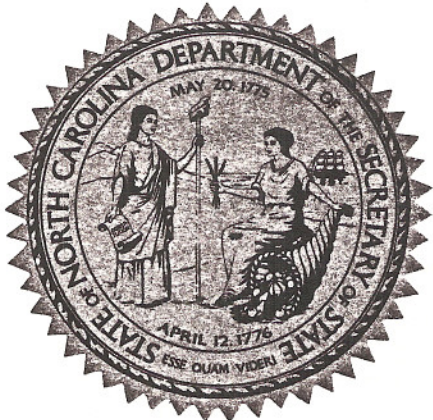
Department of The
Secretary of State

To all whom these presents shall come, Greetings:

I, Rufus L. Edmisten, 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
CROSS GATE COMMUNITY ASSOCIATION, INC.

the original of which was filed in this office on the 19th day of December, 1994.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 19th day of December, 1994.

Rufus L. Edmisten

Secretary of State

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FILED

9:00 AM

DEC 19 1994

ARTICLES OF INCORPORATION
OF
CROSS GATE COMMUNITY ASSOCIATION, INC.

EFFECTIVE
RUFUS L. EDMISTEN
SECRETARY OF STATE
NORTH CAROLINA

The undersigned natural person of the age of eighteen (18) does hereby execute these Articles of Incorporation pursuant to 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, and does hereby make, sign, and acknowledge these Articles of Incorporation, and to that end does hereby set forth:

ARTICLE I

NAME

The name of the corporation is "CROSS GATE COMMUNITY ASSOCIATION, INC.," hereinafter called the "Association".

ARTICLE II

REGISTERED OFFICE

The principal and registered office of the Association is located at 3600 Glenwood Avenue, Suite 150, Raleigh, Wake County, North Carolina 27612.

ARTICLE III

REGISTERED AGENT

Thomas L. Fonville, whose address is Suite 150, 3600 Glenwood Avenue, Raleigh, Wake County, North Carolina 27612 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 Elements within that certain tract or property (herein referred to as "Property") described in that certain Declaration of Covenants, Conditions and Restrictions for Cross Gate Subdivision recorded on December 19, 1994 in Book 6380, page 422, in the Office of Register of Deeds of Wake County, 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 those purposes 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, North Carolina, Register of Deeds 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 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, the rights of any such mortgage shall be subordinate to the rights of the Lot Owners in the Common Elements;

(e) dedicate, sell or transfer all or any part of the Common Elements or grant an easement or right of way across the Common Elements to any public agency, authority, utility, or to any other person for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication, sale or transfer shall be effective unless it has been approved by (a) a majority of the Board of Directors, while Class B membership is in existence, or (b) two-thirds (2/3) of the members of the Association after Class B membership is terminated. An instrument noting the approval, properly executed by the Association must be recorded in order to make the dedication, sale or transfer effective.

On any instrument of loan, dedication, sale, transfer, easement, lease right of way, mortgage, pledge, deed in trust or other hypothecation or other disposition of real or personal property, the Secretary of the Association shall certify that (a) a majority of the Board of Directors while Class B membership is in existence, or (b) two-thirds (2/3) of the members of the Association after Class B membership is terminated, have approved the action evidenced by the instrument, and that certificate shall be conclusive that the execution and delivery of such instrument was properly authorized by the Association and its members and shall be relied upon and binding as to any third party or as to any grantee, its successor and assigns; provided, however, conveyances for general service utility purposes as specified in the Declaration may be made without consent of the members, and the Association may execute an instrument of conveyance therefor without such certification;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property and Common Elements, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of

members, except that annexation of additional property by Declarant may be done without the consent of the members 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 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 Declaration 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 or trustees under a security instrument. 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. The Class A Members shall be 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, except Declarant during the period Declarant is a Class B Member as defined below. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. Such membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Class A Members shall be entitled to one (1) 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. Provided however, Class A Members shall not have a vote until such time as the Class B membership shall cease as provided herein.

Class B. The Class B Member shall be the Declarant and Declarant shall be entitled to five (5) votes for each lot as may be developed within the Properties under applicable Wake County zoning ordinances and regulations, as they may be amended from time to time, if fully developed to maximum density under such ordinances and regulations. 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:

(i) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; however, the Class B membership shall be reinstated if thereafter, additions are made to the Properties sufficient to give the Class B membership a total number of votes (with

the Class B membership entitled to five (5) votes for each lot owned) to exceed those of the Class A membership; or,

(ii) Ten (10) years from the date this Declaration is recorded in the Office of the Register of Deeds, Wake County, North Carolina.

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 shall be qualified as set forth in the Bylaws. The initial Board shall be comprised of three (3) members. 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>
Thomas L. Fonville	3600 Glenwood Ave., Ste. 150, Raleigh, NC 27612
Ronald L. Wilson	600 Green Valley Rd., Ste. 300, Greensboro, NC 27408
John C. Morisey, Jr.	3600 Glenwood Ave., Ste. 150, Raleigh, NC 27612

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 non-profit 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 theses Articles shall require the assent of sixty-seven percent (67%) of the entire membership and a majority of the Board of Directors, unless class voting is required as per N.C. Gen. Stat. § 55A-10-04, in which case the terms of the statute shall control. Should additional property later be

brought within the jurisdiction of this Association, pursuant to the Declaration, it shall not be necessary to amend these Articles to reflect such additional property.

ARTICLE XI

FHA/VA APPROVAL

As long as there is a Class B membership, and if these Articles of Incorporation, the Declaration or other constituent documents have been approved by the Veterans Administration or Federal Housing Administration, then the following actions will require the prior written approval of the Federal Housing Administration or the Veterans Administration, as the case may be: annexation of additional properties, mergers and consolidations, mortgaging of Common Elements, dedication of Common Elements, dissolution and amendment of these Articles.

ARTICLE XII

TERMS

The terms used herein shall have those meanings as defined in the Declaration.

ARTICLE XIII

EARNINGS

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to, its Directors, Officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and expenses incurred and to make payment and distribution in furtherance of the purposes as set forth herein.

ARTICLE XIV

INDEMNIFICATION

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by, or imposed upon, him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being, or having been, a Director or Officer of the Association, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged liable or guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights of indemnification to which such

Director or Officer may be entitled by law or otherwise. The Board of Directors by Bylaw provision is authorized to establish further criteria for indemnification of Officers or Directors.

ARTICLE XV

INCORPORATOR

<u>Name</u>	<u>Address</u>
Alison R. Cayton	Manning, Fulton & Skinner, P.A. Post Office Box 20389 Raleigh, North Carolina 27619-0389

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 19 day of December, 1994.

Alison R. Cayton
Alison R. Cayton
INCORPORATOR

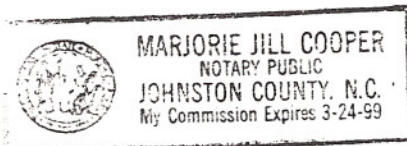
STATE OF NORTH CAROLINA :

COUNTY OF WAKE :

THIS IS TO CERTIFY, that on the 19 day of December, 1994, before me, a Notary Public, personally appeared Alison R. Cayton 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 19 day of December, 1994.

Marjorie Jill Cooper
Notary Public
My Commission Expires: 3/24/99





State of North Carolina
Department of the Secretary of State

RUFUS L. EDMISTEN
SECRETARY OF STATE

RICHARD H. CARLTON
CHIEF DEPUTY SECRETARY OF STATE

RE:

Dear Client:

You are being issued a refund because of an overpayment on the enclosed filing.
Detailed below is an explanation for the refund.

Amount received

\$60

Fee and/or Tax

\$50

Charge for copy

Total amount due

\$50

Amount to be refunded

\$10

A check for the amount to be refunded will be mailed separately.

John H. Collar, III

A handwritten signature in dark ink, appearing to read "John H. Collar, III".

Director of Corporations

JHCIII/

Prepared by and return to:

Alison R. Cayton
Manning, Fulton & Skinner, P.A.
P. O. Box 20389
Raleigh, North Carolina 27619-0389

PRESENTED
FOR
REGISTRATION

000207

94 DEC 19 AM 11:11

STATE OF NORTH CAROLINA : WITHDRAWAL OF DECLARATION OF
MASTER COVENANTS, CONDITIONS
AND RESTRICTIONS OF
COUNTY OF WAKE : CHATEAU LA POINTE NORTH

WHEREAS, the Little/Jones Development Company recorded that Declaration of Master Covenants, Conditions, and Restrictions of Chateau La Pointe North on September 25, 1989 in Book 4570, page 840, as amended by the First Amendment to the Declaration of Master Covenants, Conditions and Restrictions of Chateau La Pointe North recorded in Book 4640, page 568 Wake County Registry (herein together "Declaration"); and

WHEREAS, since that recording, the undersigned, Bent Tree Limited Liability Company has acquired the property described in Exhibit A and Exhibit B of the Declaration (herein together the "Property"); and

WHEREAS, since acquiring the property the undersigned has determined to substantially modify the Declaration; and

WHEREAS, the undersigned intends to record a new Declaration containing the required provisions; and

WHEREAS, no lots have yet been sold in Chateau La Pointe North and the undersigned is still the owner of all of the property described in the Declaration;

NOW, THEREFORE, the undersigned, Bent Tree Limited Liability Company does hereby withdraw, cancel and revoke, the Declaration in its entirety, and declare the Declaration to be null and void ab initio as if the Declaration had never been imposed on the property described therein.

Wachovia Bank of North Carolina, N.A., and Substitute Trustee, Christopher C. Pearce, IV, joins in this withdrawal to acknowledge their consent to the action of Bent Tree Limited Liability Company as it affects the property.

IN WITNESS WHEREOF the members of Bent Tree Limited Liability Company have set its seal and has executed this instrument this 9 day of December, 1994.

BENT TREE LIMITED LIABILITY COMPANY
a North Carolina limited liability company (SEAL)

By: Friendly Associates Limited Partnership IX,
a North Carolina limited partnership (SEAL)
Member

By:  (SEAL)
Ronald L. Wilson, Representative

By: TJF LLC, a North Carolina limited liability company (SEAL), Member

By: Thomas L. Fonville (SEAL)
Thomas L. Fonville, Representative



WACHOVIA BANK OF NORTH CAROLINA, N.A.

By: Ersk Fournier (SEAL)
VICE President

[Signature]
Asst. Secretary

[Signature] (SEAL)
Christopher C. Pearce, Substitute Trustee
IV

STATE OF NORTH CAROLINA)
COUNTY OF GUILFORD)

I VICKIE J PASCHAL, a Notary Public, certify that Ronald L. Wilson personally came before me this day and acknowledged the execution of the foregoing instrument, acting in his own name and for and on behalf of Friendly Associates Limited Partnership IX, a North Carolina limited partnership, as Member of BENT TREE LIMITED LIABILITY COMPANY, a North Carolina limited liability company.

Witness my hand and notarial stamp or seal, this 12th day of December, 1994.

My commission expires:
Oct. 1, 1999

Vickie J Paschal
Notary Public



0K6380PG0420

STATE OF NORTH CAROLINA)
COUNTY OF WAKE)



I William V. Hess, a Notary Public, certify that Thomas L. Fonville personally came before me this day and acknowledged the execution of the foregoing instrument, acting in his own name and for and on behalf of TJF LLC, a North Carolina limited liability company, as Member of BENT TREE LIMITED LIABILITY COMPANY, a North Carolina limited liability company.

Witness my hand and notarial stamp or seal, this 9 day of DECEMBER, 1994.

My commission expires:

W.V. Hess

Notary Public

JANUARY 6, 1996

STATE OF NORTH CAROLINA :

COUNTY OF Guilford :

I, the undersigned Notary Public of the County and State aforesaid, certify that Robert L. May personally came before me this day and acknowledged that he is Assistant Secretary of Wachovia Bank of North Carolina, N.A., a Banking corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by Robert L. May as its Assistant Secretary.

Witness my hand and official stamp or seal, this 15th day of December, 1994.

GINGER L. HUDSON

NOTARY PUBLIC

GUILFORD COUNTY, NC

My Commission Expires 7/15/98

Ginger L. Hudson
Notary Public

My commission expires:

July 8, 1998

STATE OF NORTH CAROLINA)

COUNTY OF Guilford)

I Ginger L. Hudson, a Notary Public, certify that Christopher C. Pearce, IV, Substitute Trustee, personally came before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial stamp or seal, this 15th day of December, 1994.

My commission expires:

July 8, 1998

Ginger L. Hudson
Notary Public

GINGER L. HUDSON
NOTARY PUBLIC

GUILFORD COUNTY, NC

My Commission Expires 7/8/98

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of

Vickie D. Paschal, William V. Hess
Ginger L. Hudson Notar(y)(ies) Public is

(are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

KENNETH C. WILKINS, Register of Deeds

Dallene Bell
Asst./Deputy Register of Deeds