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MAY 03 1995

ARTICLES OF INCORPORATION
OF
95124990050005 TURNER FARMS HOMEOWNERS ASSOCIATION, INC.

EFFECTIVE
RUFUS L. EDMISTEN
SECRETARY OF STATE
NORTH CAROLINA

In compliance with the requirements of the laws of the State of North Carolina, the undersigned, who is a resident of Wake County, North Carolina, and is of full age, has signed and acknowledged these Articles of Incorporation for the purpose of forming a non-profit corporation and does hereby certify:

ARTICLE I

NAME

The name of the corporation is TURNER FARMS HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association."

ARTICLE II

DURATION

The Association shall exist perpetually.

ARTICLE III

REGISTERED OFFICE AND AGENT

The initial registered office of the Association is located at 3725 Benson Road, Garner, Wake County, North Carolina 27529; and JANE BRIDGES is the initial registered agent of the Association at that address.

ARTICLE IV

PURPOSE OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof and, accordingly, shall operate only as a tax-exempt organization under Section 528 of the Internal Revenue Code of 1954 (or the corresponding provision of any subsequent United States Internal Revenue Law). The specific purposes for

which it is formed are to provide for improvement, beautification, maintenance, preservation, and architectural control of the structural and other improvements situated in and on the lots, including grounds, and the common areas and special common areas within the property described below; and to promote the health, safety, and welfare of the occupants within that property, described as follows:

(a) TURNER FARMS, Section IV, Phase VI, as shown on plat recorded in Book of Maps 1995, Pages 137, 138, Wake County Registry.

(b) Such additional property, if any, as may be annexed by T. H. TURNER FARMS, INC., its successors and assigns, (hereinafter known as the "Declarant"), within twenty (20) years after the date of this instrument and without the necessity for consent of Association members.

(c) Such additional property, if any, as may be annexed at any time with the express consent of two-thirds (2/3rds) of each class of members of the Association.

ARTICLE V

POWERS OF THE ASSOCIATION

The Association shall have the following general powers and any others impliedly arising therefrom, to be exercised in the manner provided and in conformity with applicable law, the Declaration hereinafter referred to, the Bylaws of the Association, and these 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, herein 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 herein provided, said Declaration being specifically incorporated herein by reference as if fully herein set out;

(b) To 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, but specifically not limited to, licenses, taxes, and governmental charges levied or imposed against the property of the Association;

(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;

(d) To borrow money, mortgage, pledge, deed in trust, or hypothecate its real or personal properties as security for money borrowed or debts incurred, subject always to the provisions and limitations of the Declaration;

(e) To participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property and common areas and special common areas subject always to the provisions and limitations set forth in the Declaration;

(f) To 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 (Chapter 55A, North Carolina General Statutes) by law may now or hereafter exercise.

ARTICLE VI

MEMBERSHIP

The Declarant, until such time as all lots are sold, and 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 assessments by the Association, including contract sellers but excluding persons who hold an interest merely as security for the performance of an obligation, shall be members of the Association. Ownership of such interest shall be the sole qualification for membership (other than Declarant). No owner shall have more than one membership per lot; and there shall be only one vote per lot. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment. The Board of Directors may make reasonable rules relating to the proof of ownership of a lot in the property.

ARTICLE VII

VOTING RIGHTS

Section 1. Classes of Membership. The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all owners as defined in Article VI other than Declarant, and including Declarant to the extent provided in (b) hereinafter. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article VI. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as the owners thereof determine; but in no event shall more than one vote be cast with respect to any lot, and no fractional vote may be cast with respect to any lot.

(b) Class B. The Class B member shall be the Declarant, and it shall be entitled to seven (7) votes for each lot in which it holds a fee or undivided fee interest, provided that 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:

(1) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; provided, that the Class B membership shall be reinstated with all rights, privileges, and responsibilities if, after conversion of the Class B membership to Class A membership as herein provided, additional lands are annexed to the property by the Declarant in

the manner provided in Article IV, Subparagraph (b) hereof or upon reconveyance of a lot or lots to the Declarant; or

(2) on January 1, 2014.

(c) Right of Declarant to Representation on Board of Directors of the Association. Notwithstanding anything contained herein to the contrary, until January 1, 2014, or until Declarant shall have conveyed one hundred percent (100%) of properties subject to the Declaration, whichever first occurs, Declarant (or its express assignee of the right granted in this Section) shall have the right to designate and select a two-thirds (2/3rds) majority of the Board of Directors of the ASSOCIATION. The manner in which such person or persons shall be designated and replaced shall be as provided in the Declaration (as it may be amended from time to time) at the applicable times.

Section 2. Suspension of Voting Rights. 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 for any period during which any assessment against the lot of a member remains unpaid.

ARTICLE VIII

BOARD OF DIRECTORS

Section 1. Number - Initial Board. The affairs of the Association shall be managed by a Board of not fewer than three (3) nor more than nine (9) Directors, who need not be members of the Association. The number of Directors required by the Bylaws of the

Association may be changed by amendment thereof. The initial Board shall consist of three (3) Directors and the names and addresses of the persons who are to act in the capacity of and constitute the initial Board of Directors until the selection and qualification of their successors are:

<u>Name</u>	<u>Address</u>
Jane Bridges	9837 Joe Leach Road Raleigh, NC 27603
Betty B. Stancil	8200 Lakeshore Drive Garner, NC 27529
Jan S. Morris	1016 Turner Farms Road Garner, NC 27529

Section 2. Election - Term. At or within ten (10) days after the first annual meeting, the members shall elect the number of Directors required by the Bylaws. One-half (as near as may be; one Director if the Board consists of three Directors) of the Directors so elected shall serve for a term of one (1) year and the remaining Directors elected shall serve for a term of two (2) years. The term of Directors thereafter elected shall be for two (2) years, except as otherwise provided in the Bylaws. All directors shall serve until their successors have been duly elected and qualified.

Section 3. Election - Method. The method of election of Directors after the first election held pursuant to Section 2 shall be as provided in the Bylaws.

ARTICLE IX

OFFICERS

The Board of Directors shall elect a president, a secretary, a treasurer, and a vice-president, if the Board of Directors shall determine that a vice-president is necessary. The president shall be elected from among the membership of the Board of Directors, but no other officer need be a director. The same person may hold two offices, the duties of which are not incompatible; provided, however, the offices of president and secretary shall not be held by the same person.

The affairs of the Association shall be managed by the president of the Association assisted by the secretary, treasurer, and vice-president, if any, subject to the directions of the Board of Directors. The Board of Directors may employ and contract with a managing agent and/or such other managerial and supervisory personnel to administer or assist in the administration of the operation and management of the property and assets of the Association; and any such person or entity may be so employed without regard to whether such person or entity is a member of the Association or a director or officer of the Association, as the case may be.

ARTICLE X

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 held to have acted in willful misfeasance or malfeasance in the performance of his duties or has been grossly negligent in the performance thereof; provided, 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 reimbursement or indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement or indemnification as being in the best interests of the Association. The foregoing right of indemnification or reimbursement shall be in addition to and not inclusive of all other rights to which such director or officer may be entitled.

ARTICLE XI

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, no merger or consolidation may be effectuated unless two-thirds (2/3rds) of all the votes entitled to be cast by each class of membership are cast in favor of merger or consolidation at an election held for such purpose.

ARTICLE XII

DISSOLUTION OR INSOLVENCY

Section 1. Voluntary Dissolution. The Association may be dissolved with the assent given in writing and signed by members having not less than two-thirds (2/3rds) of the votes of the Class A membership and two-thirds (2/3rds) of the votes of the Class B membership, if any.

Section 2. Election of Successor. Upon dissolution or insolvency of the Association, the members may elect to:

(a) form a non-profit corporation and transfer and assign to such corporation the property of the Association for improvement, beautification, maintenance, and preservation of lots, yards, and common areas within TURNER FARMS FOUR, with power to assess the owners for such purposes; or

(b) transfer, assign, and convey the property of the Association to any non-profit corporation, association, trust, or other organization which is or shall be devoted to purposes and uses that would most nearly conform to the purposes and uses to which the common areas and special common areas were required to be devoted by the Association.

Section 3. Transfer of Assets. The Association shall have no capital stock; and in the event of dissolution, no member, Director, or officer of the Association, and no private individual, shall be entitled to share in the distribution of the assets of the Association. If any assets shall remain after satisfaction of its just debts, the Association shall grant, convey, and assign such

assets to any entity or entities that have accepted and undertaken the maintenance and management of the common areas and special common areas or portions thereof. In the event that more than one entity has undertaken such maintenance and management, the Association may distribute the assets among such entities in a manner which the Association, in its discretion, deems fair and equitable.

ARTICLE XIII

AMENDMENTS

Section 1. 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 membership and of the Class B membership. In the event that the Class B membership has been converted to Class A membership, such amendment shall require the assent of members or proxies entitled to cast seventy-five percent (75%) of the entire vote of the Class A membership.

Section 2. Recording. No amendment made pursuant to this Section shall be effective until duly recorded in the Secretary of State's office.

ARTICLE XIV

FHA/VA APPROVAL

As long as there is a Class B membership and if applicable to qualify for loan approvals, the following actions will require the prior approval of the Federal Housing Administration or Veterans Administration: annexation of additional properties; mergers and

consolidations; deeding in trust the common area; dedication or exchange of common area; dissolution; and amendment of these Articles.

ARTICLE XV

INCORPORATOR

The name and address of the incorporator is as follows: W. Hugh Thompson, 333 Corporate Plaza, Suite 1500, Raleigh, North Carolina 27602.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, as incorporator, has executed these Articles of Incorporation, this the 27th day of April, 1995.

 (SEAL)
W. HUGH THOMPSON

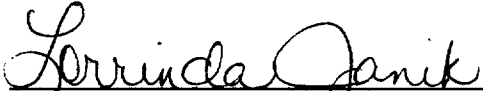
NORTH CAROLINA

WAKE COUNTY

This is to certify that on the 27 day of April, 1995, before me, a Notary Public, personally appeared W. HUGH THOMPSON, 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 27 day of April, 1995.

LORRINDA JANIK
NOTARY PUBLIC
WAKE COUNTY, N. C.
My Commission Expires 4-19-99



Notary Public

My commission expires: 4-19-99