

EXHIBIT D

ARTICLES OF CORPORATION

OF

CHESAPEAKE CONDOMINIUM ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

ARTICLE I

The name of the corporation is CHESAPEAKE CONDOMINIUM ASSOCIATION, INC., hereinafter sometimes called the "Association."

ARTICLE II

The principal and registered office of the Association is located at 100 Sawmill Road, Raleigh, North Carolina 27609.

ARTICLE III

Fred L. Bivens, whose address is 100 Sawmill Road, Wake County, Raleigh, North Carolina 27609, is hereby appointed the initial Registered Agent of this Association.

ARTICLE IV

This Association does not contemplate pecuniary gain or profit to the members thereof and no part of the Association's net income shall inure to the benefit of any of its officers, directors or members or any other private individual. The purposes and objects of the corporation shall be to administer the operation and management of Chesapeake Condominium (hereinafter called "the condominium"), a condominium to be established in accordance with the laws of the State of North Carolina upon property more particularly described in Schedule "A" attached hereto and incorporated herein by reference, and such other Property which may subsequently be annexed or subjected to the provisions of the Declaration; to undertake the performance of the acts and duties incident to the administration of the operation and management of said Condominium in accordance with the terms, provisions, conditions, and authorizations contained in these Articles of Incorporation and which will be recorded in the Public Records of Wake County, North Carolina, at the time said property, and the improvements now or hereafter situate thereon, are submitted to a Plan of Condominium Ownership;

and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said Condominium.

ARTICLE V

The Corporation shall have the following powers:

1. The Corporation shall have all of the powers and privileges granted to Non-Profit Corporations under the law pursuant to which this Corporation is chartered, and all of the powers and privileges which may be granted unto said Corporation under any other applicable laws of the State of North Carolina, including the Unit Ownership Act.

2. The Corporation shall have all of the powers reasonably necessary to implement and effectuate the purposes of the Corporation, including the Unit Ownership Act.

(a) To make and establish reasonable rules and regulations governing the use of Condominium Units and Common Property in the Condominium as said terms may be defined in said Declaration of Condominium to be recorded.

(b) To levy and collect assessments against members of the Corporation to defray the common expenses of the Condominium as may be provided in said Declaration of Condominium and in the By-Laws of this Corporation which may be hereafter adopted, including the right to levy and collect assessments for the purposes of acquiring, operation, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including Condominium Units in the Condominium, which may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in said Declaration of Condominium.

(c) To maintain, repair, replace, operate and manage the Condominium and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvement of the Condominium property, and to make and enter into any and all contracts necessary or desirable to accomplish said purposes.

(d) To contract for the management of the Condominium and to delegate to such contractor all of the powers and duties of the Association except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or membership of the Corporation.

(e) To acquire and enter into, now or at any time hereafter, leases and agreements whereby the Association acquires leaseholds, memberships and other possessory or use interests in lands or facilities including, but not limited to, swimming pools, tennis courts, and other recreation facilities, whether or not contiguous to the lands of the Condominium, to provide enjoyment, recreation or other use or benefit to the owners of Condominium Units.

(f) To enforce the provisions of the Declaration of Condominium, these Articles of Incorporation, the By-Laws of the Corporation which may be hereafter adopted, and the rules and regulations governing the use of the Condominium as the same may be hereafter established.

(g) To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Corporation pursuant to the Declaration of Condominium aforementioned.

ARTICLE VI

The qualification of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

1. The Owners of all Condominium Units in the Condominium shall be members of the Corporation, and no other person or entity shall be entitled to membership, except as provided in item (5) of this Article VI.

2. Membership shall be established by the acquisition of fee title to a Condominium Unit in the condominium, or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in any Condominium Unit, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more Condominium Units, or who may own a fee ownership interest in two or more Condominium Units, so long as such party shall retain title to or a fee ownership interest in any Condominium Unit.

3. The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Condominium Unit. The funds and assets of the Corporation shall belong solely to the Corporation subject to the limitation that

the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration of Condominium and in the By-Laws which may be hereafter adopted.

4. On all matters which the membership shall be entitled to vote, each Condominium unit shall have a vote equal to its appurtenant undivided interest in the Common Area as set forth in the appropriate Column of Exhibit C of the Declaration of Condominium. The vote of each Unit may be cast or exercised by the Owner or Owners of each Condominium Unit in such manner as may be provided in the By-Laws hereafter adopted by the Corporation. Should any member own more than one Condominium Unit, such member shall be entitled to exercise or cast the votes associated with each Condominium Unit owned in the manner provided by said By-Laws.

5. Until such time as the property described in Schedule "A" hereof, and the improvements constructed thereon, are submitted to a Plan of Condominium Ownership by the recordation of the Declaration of Condominium, the membership of the Corporation shall be composed of the three (3) individuals named in Article XI hereof as the initial Board of Directors of the Corporation, and each such individual shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

ARTICLE VII

The Corporation shall have perpetual existence.

ARTICLE VIII

The affairs of the Corporation shall be managed by the President of the Corporation, assisted by the Vice President, Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, subject to the directions of the Board of Directors. The Board of Directors, or the President with the approval of the Board of Directors, may employ a Managing Agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the Condominium, and the affairs of the Corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Corporation or a Director or Officer of the Corporation, as the case may be.

ARTICLE IX

The number of members of the first Board of Directors of the Corporation shall be three (3). The number of members of

BOOK 3333 PAGE 293

succeeding Boards of Directors shall be as provided from time to time by the By-Laws of the Corporation. The members of the Board of Directors shall be elected by the members of the Corporation at the Annual Meeting of the membership as provided by the By-Laws of the Corporation, and at least a majority of the Board of Directors shall be members of the Corporation or shall be authorized representatives, officers or employees of a corporate member of the Corporation. Notwithstanding the foregoing, for a period ending one hundred twenty (120) days after Franklin-Lee Homes, Inc., a North Carolina corporation, ceases to own twenty-five percent (25%) or more of the Units in the Condominium, but in any event, no longer than December 31, 1989, said Franklin-Lee Homes, Inc. shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Corporation. Franklin-Lee Homes, Inc. may designate and select the person or persons to serve as a member or members of each said Board of Directors in the manner provided in the By-Laws of the Corporation, and such person or persons so designated and selected need not be a resident of the Condominium, or a member of the Association.

ARTICLE X

The Board of Directors shall elect a President, Vice-President, Secretary and Treasurer, and as many Assistant Secretaries and Assistant Treasurers as the Board of Directors shall determine. 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, that the office of President and Vice-President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE XI

The names and post office addresses of the initial Board of Directors who, subject to the provisions of these Articles of Incorporation, the By-Laws, and the laws of the State of North Carolina, shall hold office until the first Annual Meeting of the membership (or until their successors are elected and qualified) are as follows:

NamesAddresses

- | | |
|--------------------------|---|
| 1. Fred L. Bivens | 100 Sawmill Road
Raleigh, North Carolina 27609 |
| 2. Paul F. Bock | 100 Sawmill Road
Raleigh, North Carolina 27609 |
| 3. Robert W. Wilson, Jr. | 615 Oberlin Road
Raleigh, North Carolina 27605 |

ARTICLE XII

The original By-Laws of the Corporation shall be adopted by a majority vote of the Board of Directors of the Corporation present at a meeting at which a majority of the members of the Board is present, and thereafter, such By-Laws may be altered or rescinded only in such manner as said By-Laws may provide.

ARTICLE XIII

Every Director and every Officer of the Corporation shall be indemnified by the corporation 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 Corporation, 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 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 Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

BOOK 3333 PAGE 238

ARTICLE XIV

An amendment or amendments to these Articles of Incorporation shall require the assent of seventy-five (75%) of the membership.

Material amendments to these Articles of Incorporation must be approved by Institutional Lenders as set forth in Article XXVII (D) of the Declaration of Condominium.

No amendment to these Articles of Incorporation which shall abridge, amend or alter the right of Franklin-Lee Homes, Inc. to designate and select members of each Board of Directors of the Corporation, as provided in Article IX hereof, may be adopted or become effective without the prior written consent of Franklin-Lee Homes, Inc.

ARTICLE XV

The Association may be dissolved with the assent given in writing and signed by not less than three-fourths (3/4) of the voting 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 XVI

The name and address of the incorporator is as follows:

Robert W. Wilson, Jr.
615 Oberlin Road
Raleigh, North Carolina 27605

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this _____ day of _____, 19____.

Robert W. Wilson, Jr. (SEAL)

SCHEDULE "A"
TO
ARTICLES OF CORPORATION
CHESAPEAKE CONDOMINIUMS ASSOCIATION, INC.

Beginning at a point in the northern right of way line of Dynasty Drive, the southwest corner of Oak Hollow Apartments, recorded in Book of Maps 1984, Page 654, Wake County Registry, thence along the northern line of Dynasty Drive, North $86^{\circ}41'20''$ West 142 ft. to a point in said right of way line, thence North $06^{\circ}38'35''$ East 104.12 ft. to a point, thence North $22^{\circ}25'33''$ East 32.5 ft. to a point, thence in a Northwesterly direction along a curve to the right having a radius of 340 ft., a distance of 116.16 ft. to a point, thence continuing in a Northwesterly direction along a curve to the left having a radius of 122 ft., a distance of 67 ft. to a point, thence North $12^{\circ}56'49''$ East 155.49 ft. to a point, thence South $57^{\circ}07'58''$ East 160.34 ft. to a point, thence South $88^{\circ}47'19''$ East 122.0 ft. to a point, thence South $03^{\circ}18'40''$ West 295 ft. to the point and place of Beginning, containing 1.43 acres according to Map entitled "Boundary Plat Chesapeake, Developed by Franklin Lee Homes, Inc., Phase I, Cary, Wake County, N.C." dated August 15, 1984 and prepared by Bass, Nixon & Kennedy, Inc., Consulting Engineers; together with the right of ingress and egress along Choptank Court from its intersection with Gooseneck Drive to the Western line of Phase I described above.

PHASES (PARTS) II THROUGH XIV

Being all of that certain tract or parcel of land containing 21.743 acres shown on Map entitled "Boundary Plat Chesapeake, Property of Franklin Lee Homes, Inc., Cary, Wake Co., N.C." dated September 23, 1983, prepared by Bass, Nixon & Kennedy, Inc., Consulting Engineers and recorded in Book of Maps 1984, Page 147, Wake County Registry. There is excepted and reserved from the 21.743 acre tract described above all of the tract or parcel of land described as Phase (Part) I containing 1.43 acres described above.