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SECRETARY OF STATE
NORTH CAROLINA

ARTICLES OF INCORPORATION
OF
NEWTON PARISH ASSOCIATION

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 Newton Parish Association, hereinafter called the "Association".

ARTICLE II

DURATION

The Association shall exist perpetually.

ARTICLE III

REGISTERED OFFICE AND AGENT

The principal and initial registered office of the Association is located at 1155 Kildaire Farm Road, Cary, Wake County, North Carolina 27511; and Charles L. Hinton, III 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 the specific purposes for which it is formed are to provide for beautification, maintenance, preservation, and architectural control of the exterior of the homes, the residence lots, and the common area within those certain tracts of property described as:

- (a) Newton Parish, Phase One, Wake County, North Carolina, as shown upon map recorded in Book of Maps 1981, Page 1055, Wake County Registry.

- (b) Such additional lands adjacent to the property hereinabove described as may be annexed by The Fortis Corporation, a North Carolina corporation, its successors and assigns (hereinafter known as the "Declarant"), without the consent of members within ten (10) years after the date of this instrument. All of the said land both that hereinabove described and that subsequently annexed shall contain no more than 298 lots;
- (c) Such contiguous property as may be annexed at any time with the express consent of two-thirds (2/3) of each class of members of the Association;

and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto that hereafter may be brought within the jurisdiction of this Association for this purpose.

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 property 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 residential property and common area 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 the homes constructed on the lots are fully completed and actually occupied as residences, 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 a member 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 and there shall be only one vote per Unit. 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 this subdivision.

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 with the exception of the Declarant. 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 three (3) votes for each lot until such time as the townhome constructed on the lot is fully completed and actually occupied as a residence, 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

(2) on January 1, 1987.

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 less than three (3) nor more than fifteen (15) 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>
Robert D. Swain, Jr.	103 Otter Drive, Cary, NC 27511
Charles H. Grant	208 Apple Cross Drive, Cary, NC 27511
John Leggett	2422 Medway Drive, Raleigh, NC 27608

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

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, no merger or consolidation may be effectuated unless two-thirds (2/3) 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 X

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 (2/3) of the votes of the Class A membership and two-thirds (2/3) 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 beautification, maintenance, and preservation of lots, yards, and common areas within Newton Parish, with power to assess the owners for such purposes; or

(b) transfer, assign, and convey the property of the Association to the City of Raleigh, 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 area was 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 care and management of the common area or portions thereof. In the event that more than one entity has undertaken such care 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 XI

AMENDMENTS

Section 1. Amendment by Membership. 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 each class of membership.

Section 2. No amendment made pursuant to this Section shall be effective until duly recorded in the Secretary of State's Office and the Office of the Register of Deeds of Wake County.

ARTICLE XII

INCORPORATOR

The name and address of the incorporator is as follows:
William J. Bruckel, Jr., 1155 Kildaire Farm Road, Post Office Box 550, Cary, North Carolina 27511.

ARTICLE XIII

SANITARY SEWER DISPOSAL AGREEMENT

Attached hereto and incorporated herein is the tri-party agreement for maintenance of the sewerage system, which agreement is incorporated herein by reference.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, as incorporated, has executed these Articles of Incorporation, this the 8TH day of December, 1981.

William J. Bruckel, Jr. (SEAL)
William J. Bruckel, Jr.

NORTH CAROLINA

WAKE COUNTY

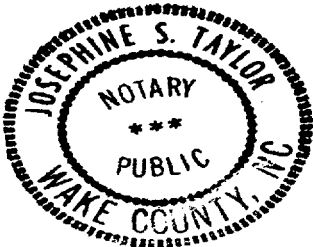
I, Josephine S. Taylor, a Notary Public, do hereby certify that William J. Bruckel, Jr., personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This the 8TH day of December, 1981.

Josephine S. Taylor

My commission expires:

May 22, 1986



NORTH CAROLINA

WAKE COUNTY

AGREEMENT

THIS AGREEMENT made and entered into this the 8th day of December, 1981, by and upon the North Carolina Environmental Management Commission, an agency of the State of North Carolina, hereinafter known as the Commission; The Fortis Corporation, a North Carolina Corporation, licensed to do business in the State of North Carolina, hereinafter known as the Developer; and Newton Parish Association, a North Carolina non-profit corporation, hereinafter known as the Association:

W I T N E S S E T H :

1. The Developer is the owner of certain lands lying in the City of Raleigh, North Carolina, upon which it is erecting and will erect townhouse units and other improvements, said Development to be known as Newton Parish.
2. The Developer desires to construct a waste water collection system to provide sanitary sewage disposal to serve the townhouse units and other improvements on said lands.
3. The Developer has applied to the Commission for the issuance of a permit pursuant to G.S. 143-215.1 to construct, maintain and operate said waste water collection system.
4. The Developer prior to sale of its townhouse units, has created or shall create a homeowners association, other improvements and lands through filing of a declaration of unit ownership pursuant to the North Carolina General Statutes.
5. The Developer has caused to be formed or will cause to be formed at the time of filing of the as mentioned declaration, Newton Parish Association, a non-profit corporation organized and existing under and by virtue of the laws of the State of North Carolina, for the purpose, among others, of handling the property, affairs and business of Newton Parish; of operating, maintaining, re-constructing and repairing the common elements of the lands and improvements, including the waste water collection system; and of collecting dues and assessments to provide funds for such operation, maintenance, re-construction and repair.

6. The Commission desires to assure that the waste water collection system of the Newton Parish townhomes are properly constructed, maintained and operated in accordance with law and permit provisions in order to protect the quality of the waters of the State and the public interest therein.

NOW, THEREFORE, for and in consideration of the premises and the benefits to be derived by each of the parties hereto, the North Carolina Environmental Management Commission, The Fortis Corporation and the Newton Parish Association, do hereby mutually agree as follows:

1. The Developer shall construct the waste water collection system in accordance with the permit and plans and specifications hereafter issued and approved by the Commission; and shall thereafter properly operate and maintain such systems and facilities in accordance with applicable permit provisions and law until each system and facilities have been transferred to the Association.

2. The Developer shall not transfer ownership of the waste water collection system to the Association until they have been inspected and a permit issued to the Association by the North Carolina Environmental Management Commission.

3. When the declaration of the Newton Parish Subdivision has been filed in the offices of the Register of Deeds of Wake County, and the Association has come into legal existence, the Developer who will be the sole member of the Association, will cause the Association to join in the execution of this agreement before any unit is conveyed to any person, firm or corporation that will become a member of the Association, to assure that the Association will be bound by this agreement to the same extent as if the Association were presently existing and executing this agreement with the Developer and the Commission.

4. The Association after transfer of ownership of the waste water collection system and appurtenances thereto in conformity with law and the provisions of the permit for construction, operation, repair, and maintenance of the system and facilities hereafter issued by the Commission; and in order to provide the necessary funds to carry out such construction, operation, repair and maintenance, the Association shall levy and collect the assessments provided

for in its Declarations and By-Laws, including special or additional assessments, and in the event that the sum realized by the levy of such assessments shall not be adequate to maintain and operate the system and facilities as required by law and permit provisions, the Association shall take such action as is necessary to secure funds adequate for such purposes.

5. In order to assure that there shall be funds readily available to repair or re-construct the waste water collection system, in the event of severe damages or destruction, the Association shall create, maintain and use the contingency funds as provided in its By-Laws. The Association in its duly filed By-Laws, shall identify the entire waste water collection system as a common area which will receive the highest priority for expenditures by the Association except for Federal, State and local taxes and insurance.

6. The owner of the waste water collection system, whether it be the Association or the Developer, shall take such action as is necessary to cause the waste waters of the project to be accepted and discharged into the City of Raleigh waste water collection system, as called for by the approved plans and specifications for the system by the City, and shall convey or transfer so much of the waste water collection system and such necessary easements as the City of Raleigh may require as a condition of accepting the project waste water.

7. The Association, recognizing that it would be contrary to the public interest and the public health, safety and welfare to enter into voluntary dissolution without having made adequate provision for the continued proper maintenance, repair and operation of its waste water collection system, shall not enter into voluntary dissolution without first having transferred its said system and facilities to some person, corporation or other entity acceptable to and approved by the Commission by the issuance of a permit.

8. The Association shall not transfer, convey, assign or otherwise relinquish or release its responsibility for the operation and maintenance of its waste water collection system until it has first secured the written approval of the Commission.

9. The agreements set forth in numbered paragraphs 1, 2, 3, 4, 5, 6 and 7 above shall be conditions of any permit issued by the Commission to the Developer or the Association for the construction, maintenance, repair and operation of a waste water collection system.

10. A copy of this agreement shall be filed in the offices of the Secretary of State of North Carolina with the Articles of Incorporation of the Association.

IN WITNESS WHEREOF, this agreement was executed in triplicate originals by the duly authorized representative of the parties hereto on the day and year written as indicated by each of the parties named below:

THIS the 8th day of December, 1981.

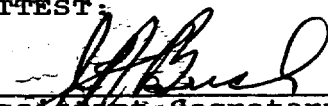
BY AUTHORITY OF THE ENVIRONMENTAL MENAGEMENT COMMISSION


Robert F. Helms, Director
Division of Environmental Management

THE FORTIS CORPORATION

By: 
Vice President

ATTEST:


Assistant Secretary
(Corporate Seal)

NEWTON PARISH ASSOCIATION

By: _____
President

ATTEST:

Secretary
(Corporate Seal)

STATE OF NORTH CAROLINA

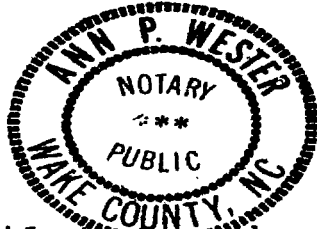
COUNTY OF WAKE

I, a Notary Public of the County and State aforesaid, certify that Robert F. Helms, Director, Division of Environmental Management personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this 24 day of December, 1981.

My Commission Expires: My Commission Expires 2-3-86

Ann P. Wester
Notary Public



NORTH CAROLINA

STOKES COUNTY

This is to certify that on the 4th day of December, 1981, before me personally appeared JA Bush, Assistant Secretary, with whom I am personally acquainted, who being by me duly sworn says that Kerry L. Avant is the Vice President and he is the Secretary of The Fortis Corporation the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; the seal affixed to the foregoing instrument is said common seal, and the name of the corporation was subscribed thereto by the said President, and that the said President and Secretary subscribed their names thereto, and said common seal was affixed, all by order of the Board of Directors of the corporation and that the said instrument is the act and deed of said corporation.

This the 4th day of December, 1981.

My Commission expires: _____

My Commission Expires May 19, 1985

Donna S. Howell
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC, NORTH CAROLINA
COUNTY OF STOKES
DONNA S. HOWELL

NORTH CAROLINA

WAKE COUNTY

This is to certify that on the _____ day of _____, 1981, before me personally appeared _____ Secretary, with whom I am personally acquainted, who being by me duly sworn says that _____ is the President and he is the Secretary of Newton Parish Association the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; the seal affixed to the foregoing instrument is said common seal, and the name of the corporation was subscribed thereto by the said President, and that the said President and Secretary subscribed their names thereto, and said common seal was affixed, all by order of the Board of Directors of the corporation and that the said instrument is the act and deed of said corporation.

This the _____ day of _____, 1981.

My Commission expires: _____

Notary Public