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Elaine F. Marshall
North Carolina Secretary of State
C200605200661

ARTICLES OF INCORPORATION
OF
WILLOW CREST HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned, all of whom are residents of the State of North Carolina and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is WILLOW CREST HOMEOWNERS ASSOCIATION, INC. hereinafter called the "Association."

ARTICLE II

The principal and registered office of the Association is located at 5909 Falls of Neuse Road, Raleigh, NC 27609.

ARTICLE III

W. Harold Perry, whose address is 5909 Falls of Neuse Road, Raleigh, NC 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 the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of residential Lots and Common Area within that certain tract of property described as Willow Crest - including any additions thereto, 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 for these 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 for Willow Crest Subdivision, hereinafter 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 therein provided, said Declaration being incorporated herein as it is 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 incident to the conduct of the 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 property in connection with affairs of the Association, provided any conveyance, sale, dedication or disposition of real property is not inconsistent with the laws and ordinances of the Town of Rolesville;

(d) Borrow money, and with the assent of four-fifths (4/5) of all Class A Members and four-fifths (4/5) of all Class B 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 that the rights of any mortgagee in said properties shall be subordinate to the rights of the homeowners and the Association hereunder;

(e) Dedicate, sell or transfer all or any 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. No such dedication or transfer shall be effective unless an instrument has been signed by four-fifths (4/5) of each class of Members, agreeing to such dedication, sale or transfer.

(f) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of four-fifths (4/5) of each class of Members and is approved by the Town of Rolesville. There will be no annexations for this development.

(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.

This corporation is organized and shall be operated exclusively as a homeowners association and not for profit. No part of the earnings of this corporation or the funds contributed by any person or corporation shall inure to the benefit of any director, officer, or Member of the corporation, other than reimbursement for actual expenses, and other than by a rebate of excess membership dues, fees, or assessments), except that reasonable compensation may be paid to private individuals for services rendered to or for the corporation affecting one or more of its purposes. In the event of liquidation or dissolution of the corporation, either voluntary or involuntary, no director or officer of the corporation or any private individual shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the corporation from any source, after the payment of all debts and obligations of the corporation, shall be used or distributed exclusively to an entity or entities whose purposes are substantially similar to those set forth in this Article IV and within the intendment of

Section 528 of the Internal Revenue Code of 1986 and the regulations thereunder as the same now exist or as they may be hereafter amended from time to time or the an appropriate public agency to be used for purposes similar to those stated in this Article IV or to an organization which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

Anything to the contrary notwithstanding the corporation shall not possess or exercise any power or authority either expressly, by implication, or by operation of law that will prevent it at any time from qualifying as a "Residential Real Estate Management Association" as defined in Section 528 of the Internal Revenue Code of 1986 as amended and the regulations thereunder, nor shall it engage directly or indirectly in any activity which would cause the loss of such qualification or deny it such election under such section of the Internal Revenue Code.

In order to properly prosecute the objects and purposes set forth, this corporation shall have all the powers vested in corporations by the laws of the State of North Carolina, Chapter 55A, Section 15, and other laws relating to corporations which may appear in the General Statutes of North Carolina, together with all amendments thereto, past and future, which powers shall include, but the inclusion of such powers shall not be deemed as exclusive of other powers vested in the corporation, the following powers: This corporation shall have full power and authority to acquire real or personal property, tangible or intangible, by gift, contribution, bequest, devise, purchase, lease, exchange, or by any other manner, and to hold legal or equitable title to real and personal property; to borrow money, issue bonds, indentures or other evidences of indebtedness, secured or unsecured; to sell, buy, lease, encumber, mortgage, pledge, donate and otherwise deal with, acquire and dispose of real and personal property, either one or both, and

generally to perform all acts which may be deemed necessary - all in accordance with the laws and ordinances of the Town of Rolesville, expedient or proper by the corporation for the successful carrying out of the objects and purposes for which the corporation is formed.

ARTICLE V

Every person or entity 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, 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. 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

The Association shall have two classes of voting memberships:

Class A Class A Members shall be all owners with the exception of the Declarant and shall be entitled to one vote for each lot owned. When more that 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. Fractional voting with respect to any lot is hereby prohibited.

Class B The Class B Member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each lot owned. 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:

(a) When the total vote outstanding in the Class A Membership equals the total votes

outstanding in the Class B Membership; or

(b) On December 31, 2015; or

(c) Upon the surrender of all Class B Membership by the holder thereof.

ARTICLE VII

The affairs of this Association shall be managed by a Board of three (3) 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 addresses of the persons who are to act in the capacity of directors until the election of their successors are:

Name	Address
W. Harold Perry	5909 Falls of Neuse Road Raleigh, NC 27609
W. Thurston Debnam, Jr.	4601 Six Forks Rd., Suite 400 Raleigh, NC 27609
Stephanie F. Bynum	4601 Six Forks Rd., Suite 400 Raleigh, NC 27609

ARTICLE VIII

The Association may be dissolved with the assent given in writing and signed by not less than four-fifths (4/5) of each class of Members and the approval of the Town of Rolelsville. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to the Town of Rolesville 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

The corporation shall exist perpetually.

ARTICLE X

Amendment to these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE XI

As long as there is a Class B Membership, the following actions will require the prior approval of the Federal Housing Administration, the Veterans Administration or the Federal National Mortgage Association: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XII

The name and address of the incorporator is as follows:

W. Thurston Debnam, Jr.

4601 Six Forks Rd., Suite 400

Raleigh, NC 27609

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal this the __ day of February, 2006.

(SEAL)

Incorporator W. Thurston Debnam, Jr.