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STATE OF
NORTH CAROLINA



PRESENTED
FOR
REGISTRATION

Department of The
Secretary of State
REGISTER OF DEEDS
WAKE COUNTY

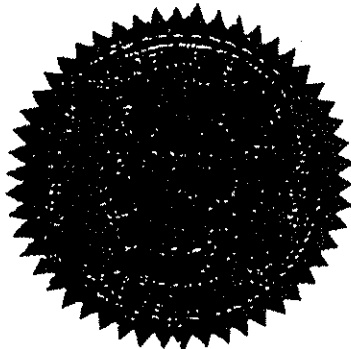
To all whom these presents shall come, Greetings:

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
PRESTON VILLAGE COMMUNITY ASSOCIATION, INC.

the original of which was filed in this office on the 28th day of January, 1994.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 28th day of January, 1994.



Rufus L. Edmisten

Secretary of State

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94 031 9047 STATE OF NORTH CAROLINA
DEPARTMENT OF THE SECRETARY OF STATE

RUFUS L. EDMISTEN
SECRETARY OF STATE
NORTH CAROLINA

ARTICLES OF INCORPORATION

OF

PRESTON VILLAGE COMMUNITY ASSOCIATION, INC.

(A NONPROFIT CORPORATION)

The undersigned, being a natural person of the age of eighteen years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a nonprofit corporation under the "Nonprofit Corporation Act" contained in Chapter 55A of the North Carolina General Statutes:

1. The name of the corporation is PRESTON VILLAGE COMMUNITY ASSOCIATION, INC., hereinafter referred to as the "Association".
2. The period of duration of the Association shall be perpetual.
3. The purposes for which the Association is organized are as follows:
 - a. The Association is organized for the purpose of engaging in any lawful act or activity for which corporations may be organized under Chapter 55A of the North Carolina General Statutes, including, without limitation, operating as a property owner's association;
 - b. The Association is specifically organized as the "Association" pursuant to the provisions of that certain Declaration Of Covenants, Conditions And Restrictions For Preston Village Subdivision (the "Declaration"), recorded in the Wake County, North Carolina Registry in Book 5843, Page 0613 (and including all duly adopted amendments and supplemental declarations thereto), said Declaration being incorporated by reference as if fully set out herein. The Association shall have all of the rights, powers, duties and obligations conferred upon it by the provisions of the Declaration. As set forth in the Declaration, the provisions thereof control over any conflicting provisions contained in these Articles of Incorporation;

Articles of Incorporation, page 2
Preston Village Community Association, Inc.

c. The Association may fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration, and may pay all expenses in connection therewith and all office and other 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;

d. The Association may 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 and personal property in connection with the affairs of the Association and as provided in the Declaration;

e. The Association may 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;

f. The Association may dedicate, sell or transfer all or any part of the Common Area (as defined in the Declaration) to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the members. No such dedication or transfer it shall have been approved by the affirmative vote of two-thirds (2/3) of each class of members as provided in the Declaration;

g. The Association may participate in mergers and consolidations with other nonprofit corporations as provided in the Declaration and in accordance with Chapter 55A of the North Carolina General Statutes (or any successor statute).

4. As set forth in the Declaration, the Association shall have the following classes of members:

a. Class A Members, consisting of the Owners of all Lots, excluding the Declarant until such time as the Declarant's Class B membership is converted to a Class A membership. Class A membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association; and

b. Class B Member, which shall consist of the Declarant.

Articles of Incorporation, page 3
 Preston Village Community Association, Inc.

5. No part of the earnings of the Association shall inure to the benefit of any director or officer of the Association or any private person, except that reasonable compensation may be paid for services rendered to or for the Association and payments may be made as allowed in the Declaration. No director or officer of the Association, nor any private person, shall be entitled to share in the distributions of any of the assets of the Association upon dissolution.

6. The street and mailing address and county of the initial registered office of the Association is:

1005 High House Road
 Cary, NC 27513

Wake County

The name of the initial registered agent of the Association at the foregoing address is Vanessa T. Jenkins.

7. The powers of the Association shall be exercised by a Board of Directors of not less than three (3) persons, the exact number of directors and their method of election to be as established in the Bylaws of the Association. The number of directors constituting the initial board of directors shall be three (3), and the names and addresses of the initial directors who are to serve until the first meeting of the Association, or until the selection of their successors, are:

| <u>Name</u> | <u>Street Address</u> | <u>City or Town, State, Zip</u> |
|--------------------|-----------------------|---------------------------------|
| Timothy R. Smith | 1005 High House Road | Cary, NC 27513 |
| Vanessa T. Jenkins | 1005 High House Road | Cary, NC 27513 |
| Robin R. Rose | 1005 High House Road | Cary, NC 27513 |

8. The name and address of the incorporator is as follows:

Kenneth L. Eagle
 1150-3 Executive Circle
 Cary, North Carolina 27511

Wake County

9. Dissolution.

The Association shall be dissolved upon the termination of the Declaration, or upon the written assent given in writing and signed by not less than two-thirds (2/3) of the Members of each class of membership, or upon such more restrictive or additional conditions and in such manner as otherwise provided by the laws of the State of North Carolina. Upon dissolution or insolvency of the Association or upon loss of ownership of the Common Area (once such

Articles of Incorporation, page 4
Preston Village Community Association, Inc.

ownership has been acquired) by the Association for any reason whatsoever (except for exchange or dedication or conveyance of any part or all of the Common Area as allowed by the Declaration or by reason of merger and/or consolidation with any other association as allowed by the Declaration), any portion of the Common Area not under the jurisdiction of and being maintained by another association substantially similar to the Association, together with all other assets of the Association, shall be offered to the Town of Cary, North Carolina, or to some other appropriate governmental entity or public agency (as determined by the Board) to be dedicated for public use for purposes similar to those to which the Common Area and such assets were required to be devoted by the Association. If the Town of Cary or such other appropriate governmental entity or public agency accepts the offer of dedication, such portion of the Common Area and assets shall be conveyed by the Association to the Town of Cary or such other appropriate governmental entity or public agency, subject to the superior right of the Owner of each Lot to an easement (if necessary) for reasonable ingress and egress to and from such Owner's Lot and the public or private street(s) on which such Lot is located, and subject to all other applicable rights of way and easements and subject to ad valorem property taxes subsequent to the date of such conveyance.

In the event that the Town of Cary or such other appropriate governmental entity or public agency refuses the offer of dedication and conveyance, the Association may transfer and convey such Common Area and assets to any nonprofit corporation, association, trust or other entity 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 Declaration, such conveyance to be made subject to the rights of Owners and other matters set forth in the immediately preceding paragraph.

10. Additional Provisions.

a. Amendment of these Articles of Incorporation shall require the affirmative vote of at least seventy-five percent (75%) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a duly called annual or special meeting of the Association at which a quorum is present, or, in lieu of such meeting, by the written consent of seventy-five percent (75%) or more of each class of members. Provided, however, and notwithstanding the foregoing, the Declarant, as that term is defined in the Declaration, may at any time and from time to time amend these Articles of Incorporation without obtaining the consent or approval of the members or of any other person or entity if such amendment is necessary for any one or more of the following purposes: to correct an obvious typographical error; to cause these Articles of Incorporation to comply with the requirements of FHA (Federal Housing Administration), VA (Veterans Administration), Fannie Mae (Federal National Mortgage Administration) or other similar agency; or as may be necessary to establish or maintain the tax exempt status of the Association under the laws of the United States or the State of North Carolina.

Articles of Incorporation, page 5
Preston Village Community Association, Inc.

b. As long as there is a Class B Membership and Declarant desires to qualify parts or all of the Property (as defined in the Declaration) for FHA or VA approvals, the following actions shall require the approval of the Federal Housing Administration (FHA) or Veterans Administration (VA), whichever is applicable: (i) dissolution or amendment of these Articles of Incorporation; (ii) mergers and consolidations involving the Association; and (iii) mortgaging or dedication of the Common Area.

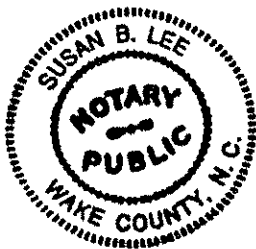
IN TESTIMONY WHEREOF, I have hereunto set my hand, this 28th day of January, 1994.

Kenneth L. Eagle
Kenneth L. Eagle

State of North Carolina
County of Wake

This is to certify that on the 28th day of January, 1994, before me, a Notary Public of the County and State aforesaid, personally appeared Kenneth L. Eagle, who, I am satisfied, is the person named as the incorporator 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 same as his voluntary act and deed for the uses and purposes therein expressed.

In Testimony Whereof, I have hereunto set my hand and official stamp or seal, this 28th day of January, 1994.



Susan B. Lee
Notary Public
My Commission Expires: 6-17-97