

STATE OF NORTH CAROLINA



Department of The Secretary of State

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To all whom these presents shall come, Greetings:

I, **ELAINE F. MARSHALL**, *Secretary of State of the State of North Carolina*, do hereby certify the following and hereto attached to be a true copy of

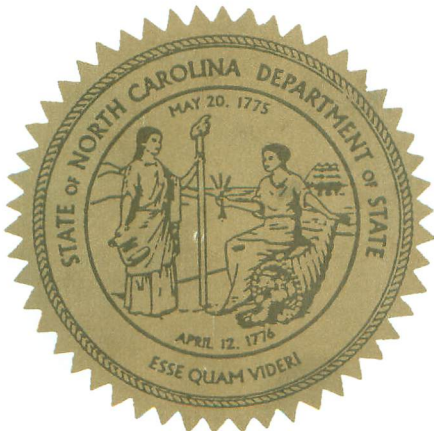
ARTICLES OF INCORPORATION
OF
CARLETON PLACE TOWNHOMES ASSOCIATION

'98 APR 27 AM 10 53

RECORDED & VERIFIED
MARY SUE OOTS
REGISTER OF DEEDS

the original of which was filed in this office on the 22nd day of April, 1998.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 22nd day of April, 1998.



Elaine F. Marshall

Secretary of State

RETURNED TO

Kim Lanier
392-5100

C- 0457103

FILED
2:13pm
APR 22 1998

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ARTICLES OF INCORPORATION
FOR

EFFECTIVE
ELAINE F MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

CARLETON PLACE TOWNHOMES ASSOCIATION
A Nonprofit Corporation

WARD AND SMITH, P.A., ATTORNEYS AT LAW

I, the undersigned individual, hereby do make and acknowledge these Articles of Incorporation for the purpose of forming a nonprofit corporation under and by virtue of the laws of the State of North Carolina as contained in Chapter 55A of the General Statutes of North Carolina, entitled "North Carolina Nonprofit Corporation Act," and the several amendments thereto, and to that end hereby do set forth:

1. Name: The name of the corporation is Carleton Place Townhomes Association, which hereinafter is referred to as the "Association."

2. Duration: The period of duration of the Association shall be perpetual.

3. Definitions: As used in these Articles of Incorporation, the following definitions shall apply:

(a) Capitalized terms shall have the same meaning specified for such terms as more particularly set forth in the Declaration for Carleton Place Townhomes as recorded in the office of the Register of Deeds of New Hanover County, North Carolina; and,

(b) References to the "Code" shall mean the Internal Revenue Code of 1986, as amended, and any amendments thereto or any corresponding provisions of any future United States Internal Revenue Laws; and,

(c) References to provisions of the North Carolina General Statutes shall include any amendments thereto or any corresponding provisions of any future North Carolina Statutes; and,

(d) References to the "North Carolina Nonprofit Corporation Act" shall mean Chapter 55A of the North Carolina General Statutes and shall include any amendments thereto or any corresponding provisions of any future North Carolina Statutes.

4. Purposes: The Association is organized and will be operated exclusively for the purposes set forth in North Carolina General Statutes § 105-125(a)(8), North Carolina General Statutes § 105-130.11(a)(11), and Code Section 528(c)(1)(A), which shall include but not be limited to, the following specific purposes:

(a) To provide for the acquisition, construction, management, maintenance, and care of "association property," within the meaning of, and as such property is defined in, Section 528 of the Code; and,

(b) To own, manage, administer and maintain the Common Elements and provide for the Upkeep of the Common Elements and, to the extent provided in the Association Documents, of the Lots and improvements located thereon; and,

(c) To own, manage, administer and maintain and provide for the Upkeep of any Additional Property which hereafter may be acquired by purchase, gift, annexation, dedication or otherwise; and,

(d) To own, manage, administer, maintain and provide for the Upkeep of and operate any improvements now or hereafter located on any portion of the Common Elements.

In order to achieve the foregoing purposes, the Association shall have the following powers and authority:

(a) To exercise all powers and rights and perform all of the acts and duties and obligations of the Association as more particularly described in the Association Documents with respect to all or any portion of the Property; and,

(b) To undertake any activity whatsoever that is in furtherance, directly or indirectly, of the purposes of the Association set forth above; and

(c) To exercise any and all powers that may be conferred upon nonprofit corporations under the North Carolina Nonprofit Corporation Act.

5. Membership: The Association shall have members, and the class or classes of members and the qualifications and rights of members shall be set forth in the Bylaws of the Association.

6. Veto Over Actions of Executive Board: Notwithstanding any contrary provisions in the Association Documents, at all times during the Development Period as specified in the Declaration, the Declarant shall have veto power over all actions of the Executive Board or any committee as may have been appointed by the Executive Board or established by the Bylaws, which veto power shall be exercised by the Declarant as follows:

During the Development Period, the Secretary of the Association shall provide the Declarant with a written copy of the minutes of any directors' meeting (and the minutes of any meeting of any committee appointed by the Executive Board or established by the Bylaws) or a copy of any unanimous consent minutes executed by the Board or any committee thereof within five (5) business days following such meeting or date of execution, as applicable. The Declarant shall have ten (10) business days following the Declarant's receipt of a copy of such minutes to veto any or all action taken therein, which veto shall be communicated in writing by the Declarant to the Secretary of the Association at the Association's principal office within the aforementioned ten (10) day period. Any action taken in such meeting or unanimous consent minutes of the Board or a committee thereof shall not become effective until the end of the aforementioned ten (10) day veto period; provided, that however, in the event that immediate or

emergency action of the Executive Board or a committee thereof becomes necessary, which action must be completed or taken before the aforementioned veto period will expire and which emergency has not occurred through a lack of due diligence by the Executive Board, then notice of such emergency meeting and the purpose therefor (or in lieu thereof, unanimous consent minutes containing such purpose) shall be delivered to the Declarant in person or sent to Declarant by United States Mail, registered or certified mail, return receipt requested. The Declarant shall be deemed to have consented to any such action taken by: (a) attendance by the Declarant at such meeting with no objection to the action taken therein stated in the record of such meeting, (b) if Declarant does not attend the meeting and if Declarant is notified of any action taken by the calendar day after the meeting by any usual means of communication by the Secretary of the Association, before midnight of the fifth (5th) calendar day after the date of such meeting if objection to the action taken therein is not communicated in writing by the Declarant to the Secretary of the Association within such five (5) day period, (c) if there is no meeting, before midnight of the fifth (5th) calendar day after the date of the Declarant's receipt of a copy of unanimous consent minutes of the Board or a committee thereof if notice of objection is not communicated in writing by the Declarant to the Secretary of the Association within such five (5) day period, or (d) regardless of whether a meeting is held by the Board or committee thereof, within such earlier time as may be consented to by the Declarant in writing to the Secretary of the Association after receipt of notice of such emergency; and such emergency action by meeting or unanimous consent minutes is not effective until the Declarant's consent is deemed given pursuant to the above stated emergency consent procedures.

7. Nonprofit Issues: The Association is not organized and shall not be operated for pecuniary gain or profit. No part of the net earnings of the Association shall inure to the benefit, or be distributable to its members, directors, officers, or any other individuals, except that the Association shall be authorized and empowered to pay reasonable compensation for services actually rendered, and other than by activities taken by the Association in furtherance of the Association's purposes for the benefit of its members. The Association shall not rebate excess membership dues, fees, or assessments or provide any other rebate to members.

8. Dissolution: In the event of dissolution of the Association, any net assets remaining after the satisfaction of the Association's liabilities shall be transferred and delivered (a) to one (1) or more nonprofit organizations, as shall be selected by the Executive Board of the Association, that are organized generally for purposes similar or related to those set forth in Article 4 hereof or (b) in any other lawful manner.

9. Registered Office and Agent: The street and mailing address of the initial registered office of the Association is 2002 Eastwood Road, Wilmington, New Hanover County, North Carolina 28403; and the name of the initial registered agent at such address is Michael Stonestreet.

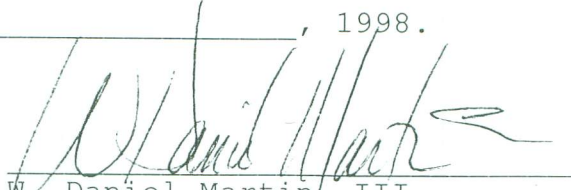
10. Principal Office Address: The street and mailing address of the Association's principal office is 2002 Eastwood Road, Wilmington, New Hanover County, North Carolina 28403.

11. Limitation on Personal Liability: To the fullest extent provided by law, no director of the Association shall be personally liable for monetary damages arising out of an action, whether by or in the right of the Association or otherwise, for breach of any duty as a director.

12. Incorporator: The name and address of the incorporator are: W. Daniel Martin, III, University Corporate

Center, 127 Racine Drive, Post Office Box 7068, Wilmington, North Carolina 28408.

IN TESTIMONY WHEREOF, I have hereunto set my hand, this
the _____ day of April, 1998.



W. Daniel Martin, III

INCORPORATOR

Prepared by and return to:

W. Daniel Martin, III
For the firm of
Ward and Smith, P.A.
University Corporate Center
127 Racine Drive
Post Office Box 7068
Wilmington, North Carolina 28406-7068
Telephone: (910) 392-5100

WARD AND SMITH, P.A., ATTORNEYS AT LAW

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