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THAD EURE
SECRETARY OF STATE
NORTH CAROLINAARTICLES OF INCORPORATION
OF
GREYSTONE 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 GREYSTONE ASSOCIATION, hereafter 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 140 Ammons Drive, Raleigh, Wake County, North Carolina; and Justus M. Ammons 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 and preservation of the Common Area, areas suitable for landscaping for the general use and beautification of Greystone Village and areas within the boundaries of access easements which are reserved over Lots for access to Common Areas, all within those certain tracts of property described as:

(a) The Wedges at Greystone - Section One as shown on map recorded in Book of Maps 1980, Page 730, Wake County Registry;

(b) Such additional lands within the boundary of those tracts of land which are described in Exhibit "A" attached hereto and made a part of these Articles of Incorporation and which are annexed by Ammons, Inc., and those of its successors and assigns, if any, to whom the rights of Declarant are expressly transferred hereafter (herein known as "Declarant"), without the consent of members, provided such annexations are consummated within ten (10) years of the date of incorporation of the Association; and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto as 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 laws, 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 therein provided, said Declaration and all amendments being specifically incorporated herein by reference and as if fully herein set out;

(b) To fix, levy, collect, and enforce payment by any lawful means, 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 any or all of 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

Ammons, Inc., its successors and assigns (the "Declarant"), for so long as it shall be record owner of a fee simple title to any Lot, 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, shall be a member of the Association. The foregoing is intended not

to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of such Lot shall be the sole qualification for membership and no Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. 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. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those 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 they among themselves 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.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Lot in which it holds a fee or undivided fee interest, 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:

(a) 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 hereunder, additional lands are annexed to the Properties without the assent of Class A members on account of the development of such additional lands by the Declarant as provided in the Declaration; or

(b) On January 1, 1992.

SECTION 2. 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. The affairs of this Association shall be managed by a Board of not fewer than three (3) nor more than fifteen (15) Directors, who need not be members of the Association. The number of Directors may be modified by amendment of the Bylaws of the Association. 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:

NAME	ADDRESS
Justus M. Ammons	140 Ammons Drive Raleigh, N. C. 27609
Jo Ellen W. Ammons	140 Ammons Drive Raleigh, N. C. 27609
Mason L. Williams	8341 Lead Mine Road Raleigh, N. C. 27609

SECTION 2. The initial Board of Directors shall consist of at least three (3) Directors. At or within ten (10) days after the first annual meeting, the members shall elect one Director for a term of one (1) year, one Director for a term of two (2) years, and one Director for a term of three (3) years. The terms of Directors thereafter elected shall be three (3) 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

EXCHANGE OF COMMON AREA

The Association, acting through its Board, from time to time may exchange with any member a portion of the Common Area for a

portion of the real property owned by such member within Greystone Village Subdivision, provided that the real property acquired by the Association in the exchange: (a) is free and clear of all encumbrances except the Declaration, and easements for drainage, utilities, and sewers; and (b) has approximately the same area and utility as the portion of the Common Area exchanged. The real property so acquired by the Association shall be a part of the Common Area, and, without further act of the Association or membership, shall be released from any provisions of the Declaration except those applicable to the Common Area. The portion of the Common Area so acquired by the member, without further act of the Association or membership, shall cease to be Common Area and shall be subject to those provisions of the Declaration that were applicable to the real property conveyed to the Association by the member.

ARTICLE X

ANNEXATION OF ADDITIONAL PROPERTIES

SECTION 1. ANNEXATION BY MEMBERS. Except as provided in Section 2 of this Article, additional lands may be added and annexed to the Properties only if both two-thirds (2/3) of all of the votes entitled to be cast, in the aggregate, by Class A members and also two-thirds (2/3) of all of the votes entitled to be cast by Class B members, if any, are cast in favor of annexation. A meeting shall be duly called for this purpose, written notice of which shall be sent to all members of the Association, setting forth the time, place and purpose of the meeting, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

For the purposes of such meeting, the presence thereof of members or proxies entitled to cast sixty (60%) percent of the votes of the Class A members and sixty (60%) percent of the votes of the Class B members, if any, shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called within sixty (60) days thereafter, subject to the notice

requirement set forth above, and the required quorum of such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting.

If a quorum is present and the majority of the votes are cast in favor of the annexation, but the majority is less than the two-thirds (2/3) majority either of the Class A or of the Class B votes, or both, required for approval of the annexation, and it appears that the required two-thirds majority of either class may be achieved if the members not present or voting by proxy assent to the annexation, then and in that event, the members not present or voting by proxy may assent to or dissent from the proposed annexation in writing within 120 days following the date of the meeting at which the vote was taken. Each member so assenting or dissenting shall be deemed to have cast, respectively, all of the votes to which he is entitled either in favor of or against the annexation. If the number of votes cast at the meeting in favor of the annexation, together with the votes deemed to have been cast by the members assenting to the annexation, shall constitute the requisite two-thirds (2/3) majority of all votes entitled to be cast by the Class A members, in the aggregate, and by the Class B members, the annexation shall stand approved.

SECTION 2. ANNEXATION BY DECLARANT. The Declarant may annex additional lands to the Properties in the following manner:

(a) If, within ten (10) years of the date of incorporation, the Declarant should develop additional lands within the boundaries of lands described in Exhibit "A" and shown on the general plan of Greystone Village heretofore submitted to the City of Raleigh, such additional lands may be annexed to said Properties without the assent of the Class A members. Detailed plans for the development of additional lands may be submitted to the City of Raleigh prior to such development if such submission is required by ordinances of the City of Raleigh.

(b) The Declarant may annex to the Properties the additional lands described in Subsection (a) of this Section 2 by recording in the Wake County Registry a declaration of annexation, duly executed

by Declarant, describing the lands annexed and incorporating the provisions of the Declaration, either by reference or by fully setting out said provisions therein. The additional land shall be deemed annexed to the Properties on the date of recordation of the declaration of annexation, and no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation.

(c) Subsequent to recordation of the declaration of annexation by the Declarant, the Declarant shall deliver to the Association one or more deeds conveying any Common Area within the lands annexed as such Common Area is developed.

ARTICLE XI

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 that any such merger or consolidation shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE XII

AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Area defined in the Declaration shall have the assent of members entitled to cast two-thirds (2/3) of the votes of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE XIII

AUTHORITY TO DEDICATE

The Association shall have power to 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 members entitled

to cast two-thirds (2/3) of the votes of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any, agreeing to such dedication, sale or transfer.

As to lenders and purchasers for value, the certification by the Secretary of the Association that the required number of members have executed instruments in conformity with this Article, shall be conclusive as to the fact recited by such certification and shall be binding upon the Association and all of its members.

ARTICLE XIV

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 aggregate votes of both the entire Class A membership and two-thirds (2/3) of the votes of the entire Class B membership, if any.

SECTION 2. Common Area. Upon dissolution or insolvency of the Association or upon loss of ownership of the Common Area by the Association for any cause whatsoever, any portion of the Common Area not maintained by a non-profit corporation, as hereinabove provided, shall be offered to the City of Raleigh to be dedicated for public use for purposes similar to those to which they were required to be devoted by the Association. If the City of Raleigh accepts the offer of dedication, such portion of the Common Area shall be conveyed by the Association to the City of Raleigh, subject to the superior right of the Owner of each Lot to an easement for reasonable ingress and egress between his Lot and the public street.

In the event that the City of Raleigh refuses the offer of dedication and conveyance, the Association may transfer and convey such Common Area to 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. Other 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, other than the Common Area, 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 in which the Association, in its discretion, deems fair and equitable.

ARTICLE XV

AMENDMENTS

SECTION 1. Amendment by Membership. Except as herein provided, 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 the Class A and Class B membership. In the event that the Class B membership has been converted to Class A membership, such amendment shall require the assent of members or proxies entitled to cast seventy-five percent (75%) of the entire Class A membership.

SECTION 2. Amendment by Declarant or Association. These Articles may be amended by the Declarant while Declarant is a Class B member and by the Board of Directors of the Association when Declarant is a Class A member, without the consent of the members, to the extent necessary, and only to the extent necessary, to achieve or maintain the tax-exempt status of the Association, to comply with ordinances of the City of Raleigh, or to permit the Properties (as defined in the Declaration), or any portion thereof, or the Association to qualify for loans made by, guaranteed by, sponsored by or insured by the Federal Housing Administration or the Veterans Administration, or their successor agencies, or any other agency of government, or

government-sponsored agency, including without limitation, the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.

ARTICLE XVI

FHA/VA APPROVAL

Notwithstanding any provision in this instrument to the contrary, as long as there is a Class B membership, and if Declarant desires to qualify sections of Greystone Village for Federal Housing Administration or Veterans Administration approval (but not otherwise), the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Areas, exchange of Common Area for other portions of the properties, and the amendment of these Articles of Incorporation.

ARTICLE XVII

INCORPORATOR

The name and address of the incorporator is Thomas F. Adams, Jr., 1910 Highland Place, Raleigh, North Carolina 27607.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of North Carolina, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation, this 18th day of September, 1980.

Thomas F. Adams, Jr. (SEAL)
Thomas F. Adams, Jr.

NORTH CAROLINA

WAKE COUNTY

I, Vera J. Nix, a Notary Public, do hereby certify that Thomas F. Adams, Jr., personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purpose therein expressed.

WITNESS my hand and notarial seal, this the 18th day of September, 1980.

Vera J. Nix
Notary Public

My commission expires: 2/21/85

EXHIBIT "A"

Those certain tracts or parcels of land in House Creek

Township, Wake County, North Carolina, bounded and described as follows:

Tract No. 1: BEGINNING at a point in the center of the Lead Mine Road corner with K. T. H. Lynn, said point being witnessed by an iron stake placed 18 feet West of said center line, runs thence North 86° West 1,274 feet to an iron pipe R. O. Stephens line; thence North 3° East 2,122 feet to an iron pipe W. D. Orr line; thence South 85° 30' East 2,681 feet to a point in the center line of the Lead Mine Road, said point being marked by an iron stake placed 18 feet West of the center line of said Road; thence along the center line of the Lead Mine Road, the following courses and distances to-wit: South 20° West 583 feet; South 55° West 730 feet; South 38° West 950 feet; South 26° West 300 feet to the place of Beginning, containing 96.5 acres, according to Map and survey made by Pittman Stell, County Surveyor, August 11, 1944. It is the property allotted to Miss Eva Lynn in the division of her father's estate and it is the same property conveyed by her to Dr. J. Worth Lynn on March 27, 1941 by deed recorded in Book 860, at Page 180 Wake County Registry and by Dr. J. W. Lynn and wife, conveyed to Willie M. Lynn and wife by deed dated May 24, 1943 and recorded in Book 894, Page 494, Wake County Registry. This is the identical parcel of land which was conveyed by Charles H. Warren et ux to Julian T. Baker and Nancy F. Baker, his wife, by deed dated July 25, 1956, recorded in said Registry in Book 1247, Page 147.

Tract No. 2: BEGINNING at an iron stake, Roxanna Eva Lynn's corner (formerly) at the edge of the road leading to Raleigh known as the Lead Mine Road, and runs thence North 85° 55' West 2,820 feet to an iron stake, now or formerly John Rochall's corner; thence North 06° 50' East 1,430 feet to an iron stake; runs thence South 85° 55' East 3,134 feet along formerly Piper's line to an iron stake at the edge of the Raleigh or Lead Mine Road; runs thence with said Raleigh or Lead Mine Road South 19° West 1,496 feet to the point and place of Beginning, containing 100.2 acres, more or less, and being the identical property conveyed by W. D. Orr and wife, Addie F. Orr to I. L. Cole and wife, Lottie F. Cole (Lottie F. Cole and Lottie Alderson Cole being one and the same person) by deed dated November 24, 1945, and recorded in Book 929, Page 240, Wake County Registry. This is the identical land that was conveyed by Ira Lee Cole et al to Julian T. Baker and Nancy F. Baker, his wife, by deed dated August 18, 1960, recorded in said Registry in Book 1422, Page 396.

Tract No. 3: BEGINNING at a nail in a cap at the center line of Lead Mine Road, said point lying in the Southern Boundary of the Raymond Beck Property; runs thence with Beck Southern land line North 85° 49' West 416.41 feet to a stake; thence North 04° 51' East 46.50 feet to a stake; thence North 85° 40' West 874.02 feet to a stake; thence South 05° 00' West 607 feet to a stake; thence North 86° 15' West 1,303 feet to a stake in the John Liggon Heirs Eastern land line; runs thence South 04° 00' West 1,146 feet to a stake in the Northern Boundary line of Hidden Valley Subdivision; runs thence South 87° 15' East 2,613 feet to a nail in the center line of Lead Mine Road; thence with the center line of Lead Mine Road the following courses and distances: North 00° 15' West 300 feet to a point, North 01° 12' East 455.06 feet to a point, North 01° 33' East 211.20 feet to a point, North 02° 50' East 93.07 feet to a point, North 05° 16' East 240.90 feet to a point; thence leaving said road North 83° 00' West 84.70 feet to a stake, North 07° 00' East 59.20 feet to a stake, South 83° 00' East 83.73 feet to a point in the center line of Lead Mine Road; runs thence with the

center line of said road North 08° 20' East 294.20 feet to the point and place of Beginning and being the property of "Mrs. K. T. H. Lynn" according to a survey dated October 24, 1968 by Smith & Smith, Registered Land Surveyor, and containing 83.39 acres. This is the identical land which was conveyed by John Joseph Lynn et al to Julian T. Baker and Nancy F. Baker, his wife, by deed dated June 8, 1977, recorded in said Registry in Book 2513, Page 71.

Tract No. 4: BEGINNING at a post oak tree in the line of Tract No. 2 of the Lynn Estate and said post oak tree being the Southeast corner of the Harward Tract, and runs thence North 3° 00' East and with the Eastern line of the Harward Tract a distance of 2,171 feet to the Northwest corner of Tract No. 1 of the Lynn Estate, and also being a corner of the Black Tract and Harward Tract; thence South 87° 00' East with the line of the Black Tract a distance of 2,755.5 feet to the Northeast corner of said Tract No. 1, said corner also being the Northwest corner of Tract No. 5; thence South 3° 00' West with the said line of Tract No. 5 a distance of 2,940.3 feet to a stake in the line of Tract No. 4; thence North 87° 00' West with the line of said Tract No. 4 of the Lynn Estate a distance of 1,303.5 feet to a stake on a hill above Liggon's Branch; thence North 3° 00' East a distance of 204.6 feet to a stake near said Liggon's Branch; thence North 87° 00' West and with said Liggon's line a distance of 1,490.5 feet to a large pine stump and being the Southwest corner of Tract No. 2, thence North 62° 06' West up a ravine a distance of 310.5 feet to a stake in the field on left of said ravine; thence up said ravine North 34° 47' West a distance of 302.8 feet to a stake; thence North 82° 23' West a distance of 626.1 feet to the property right-of-way of the State Highway; thence North 00° 15' East and with the right-of-way of State Highway a distance of 211.5 feet to the Harward line, thence South 82° 23' East and with the said Harward line a distance of 1,103 feet, more or less, to the point of the Beginning. Said boundary containing Tract No. 1 and Tract No. 2 and an additional tract providing an outlet to said State Highway having a total area of 200 acres, more or less. The foregoing lands are located in House Creek Township, Wake County, North Carolina, and on the Raleigh-Oxford State Highway and about eight miles from the City of Raleigh, North Carolina.

The above described property being the same as conveyed to Ross O. Stevens and wife, Rose Elizabeth Stevens, by J. J. Lynn et al, by deed dated April 22, 1941 and recorded in Book 862, Page 461; Wake County Registry.

This is the identical land which was conveyed by Ross O. Stevens and Rose Elizabeth Stevens, his wife, to Ashby L. Baker by deed recorded in Book 1098, Page 8, Wake County Registry. See also Will of Ashby L. Baker, Will Book 2, Page 134, in the records of the Clerk of Superior Court for Wake County, North Carolina.

Tract No. 5: BEGINNING at an iron pipe set January 31, 1978, according to a survey entitled "Property of Raymond Beck and wife, Ethel L. Beck" dated April 5, 1968, and revised January 31, 1978 by Smith and Smith, Registered Land Surveyors, Apex, North Carolina. Said beginning point also being the common corner of a 3.66 acre tract and a 0.45 acre tract and the property of K. T. H. Lynn according to the aforementioned survey, running thence from said iron pipe the following courses and distances: North 04° 51' East 347.37 feet to a iron pipe; running thence North 85° 40' West 870.55 feet to an existing iron stake; running thence South 05° 00' West 350 feet to an iron pipe set January 31, 1978 and running thence South 85° 40' East 874.02 feet to the point and place of Beginning and being a 7.0 acre tract according to the survey referenced above. Also being the property shown on a plat recorded in Book of Maps 1978, Volume 3, Page 358, Wake County Registry. The foregoing property was conveyed to Ammons, Inc. by deed dated July 13, 1979 and recorded in Book 2755, Page 444, Wake County Registry.

Tract No. 6: BEGINNING at a point where the lands of the Grantors corner with the lands of Harry Pilos and I. L. Cole, said point lying to the West of the new Lead Mine Road and being in the South line of Pilos and the North line of Cole; running thence with the East line of I. S. Cole to that point in the center of the new Lead Mine Road where the East line of I. L. Cole intersects with the center line of the Lead Mine Road; thence with the center of the new Lead Mine Road in a Northerly direction to the point where the South line of Pilos intersects with the center of the said road; thence with the Pilos South line in a Westerly direction to the point and place of Beginning, and being all of the land owned by the Grantors lying on the West side of the new Lead Mine Road, and the East side of I. L. Cole and being a portion of the land conveyed to L. A. Julien and Orred C. Julien, his wife, by deeds recorded in Book 1279, Page 63; Book 1320, Page 90; and Book 1135, Page 689, Wake County Registry.

This is the identical parcel of land which was conveyed to Julian T. Baker and Nancy F. Baker, his wife, by L. A. Julien and Orred C. Julien, his wife, by deed dated August 31, 1960 and recorded in Book 1422, Page 447, Wake County Registry.

This tract was conveyed to Julian T. Baker by deed dated October 3, 1978 and recorded in Book 2665, Page 687, Wake County Registry.