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ARTICLES OF INCORPORATION

OF

EFFECTIVE

RUFUS L. EDMISTEN
SECRETARY OF STATE
NORTH CAROLINA

THE POINT AT LAKE JEANETTE ASSOCIATION, INC.

In compliance with the requirements of Chapter 55-A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

ARTICLE I

The name of the corporation is The Point at Lake Jeanette Association, Inc., hereinafter called the "Association."

ARTICLE II

The principal and registered office of the Association is located at 3101 North Elm Street, Suite 220, Greensboro, Guilford County, North Carolina, 27408.

ARTICLE III

C. Richard Routh, whose address is 3101 North Elm Street, Suite 220, Greensboro, Guilford County, North Carolina, 27408, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the members thereof and no part of the Association's net income shall inure to the benefit of any of its officers, directors or members or any other private individual. The purposes and objects of the Association shall be to provide for administration, maintenance and preservation of the Section Common Area within that certain tract of property described as follows:

Lying and being in Guilford County, North Carolina,
and being more particularly described on Schedule A
attached hereto and incorporated herein by reference;

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, and for this purpose 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, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of Guilford County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment of, by any lawful means, all charges, assessments and fines 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 all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase, lease 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;

(d) 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;

(e) dedicate, sell or transfer all or any part of the Section Common Area to any public agency, authority, or utility (including any entity authorized by the City of Greensboro to supply cable television service) for such purposes and subject to such conditions as may be agreed to by the Board of Directors. No such dedication or transfer shall be effective unless an instrument has been signed by a majority of the Board of Directors 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 two-thirds (2/3) of each class of Members;

(g) annex additional residential property and Section Common Area pursuant to the provisions of Article XII, Section 4, of the Declaration; and

(h) have and 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.

ARTICLE V

MEMBERSHIP

Every person or entity who or 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 shall be a voting 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. Such 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

VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners other than Cornwallis Development Co. ("Declarant"). Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant and shall be entitled to four (4) 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 votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, provided, however, that the Class B membership shall be reinstated if after such conversion and before the time stated in subparagraph (b) below, additional lands are annexed to the Properties pursuant to the provisions of Article XII, Section 4, in the Declaration containing a sufficient number of Lots to give the Class B Member a total number of votes in excess of the Class A Members; or,

(b) on December 31, 2005.

Notwithstanding anything to the contrary herein, until December 31, 2005, Declarant shall have the right to designate and select a majority of the Board of Directors of the Association. Whenever Declarant shall be entitled to designate and select any person or persons to serve on any Board of Directors of the Association, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association. Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any director or directors so removed for the remainder of the unexpired term of any director or directors so removed. Any director designated and selected by Declarant need not be the Owner of a Lot in The Point at Lake Jeanette. Any representative of Declarant serving on the Board of Directors of Association shall not be required to disqualify himself from any vote upon any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest. Similarly, Declarant, as a member of the Association, shall not be required to disqualify itself upon any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of at least three (3), but not more than seven (7), directors who need not be members of the Association. The number of directors within the above-described limits shall be determined by the Board of Directors. The number of directors beyond such limits may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
C. Richard Routh	3101 North Elm Street, Suite 220 Greensboro, North Carolina
Conrad Hicks	3101 North Elm Street, Suite 220 Greensboro, North Carolina
Larry Barnes, Jr.	3101 North Elm Street, Suite 220 Greensboro, North Carolina

Subject to the right of Declarant to select and designate a majority of the Board of Directors, at the first annual meeting the Members shall select two (2) directors for a term of two (2) years and one (1) director for a term of one (1) year; and at each

annual meeting thereafter the Members shall elect directors for a term of two (2) years.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of voting Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency 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

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

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

ARTICLE XI

INDEMNIFICATION

Every director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XII
INCORPORATOR

The name and address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
William P. Aycock II	230 North Elm Street, Suite 1500 Greensboro, NC 27401

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal this 16th day of May 1995.

William P. Aycock II (SEAL)
William P. Aycock, II

NORTH CAROLINA
GUILFORD COUNTY

THIS IS TO CERTIFY, that on the 16th day of May, 1995, before me, a Notary Public, personally appeared WILLIAM P. AYCOCK, II, who I am satisfied is the person named 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 the same as his voluntary act and deed for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this the 16th day of May, 1995.

Sue Hobbs
Notary Public

My Commission Expires:

1-21-98

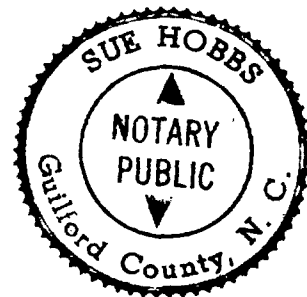


EXHIBIT "A"

Any land bounded on the south by North Elm Street (formerly Lake Jeanette Road), on the west by Bass Chapel Road, and on the north and east by Lake Jeanette.