

ARTICLES OF INCORPORATION

OF

HUNTSTONE COMMUNITY ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, natural persons of full age, have this day executed these Articles of Incorporation for the purpose of forming a nonprofit corporation and hereby certify:

ARTICLE I

The name of the corporation is Huntstone Community Association, Inc. (hereinafter called "Corporation").

ARTICLE II

The principal and registered office of the Corporation is located at 129 W. Belle Street, Henderson, Vance County, North Carolina 27536. The mailing address shall be the same.

ARTICLE III

Jack E. Ferguson, whose address is 129 W. Belle Street, Henderson, North Carolina 27536, is hereby appointed the initial Registered Agent of the Corporation.

ARTICLE IV

The Corporation does not contemplate pecuniary gain or profit to the members thereof and no part of the Corporation'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 Corporation shall be to administer the operation and management of Huntstone Subdivision (hereinafter "Huntstone"), a subdivision of homes located on property lying and being on U.S. 158 Business, in Dabney Township, Henderson, Vance County, North Carolina, and more particularly described in the formal Declaration of Protective Covenants, Conditions & Restrictions (hereinafter the "Declaration"), the plat of said property being of record in Plat Book W, page 894, Vance County Registry, North Carolina, said Declaration being incorporated herein by reference; to undertake the performance of the acts and duties incident to the administration of the operation and management of said subdivision in accordance with the terms, provisions, conditions and authorization contained in the Articles of Incorporation and the Declaration at the time said property, and the improvements now or hereafter situate thereon, are submitted to and made a part of the Declaration; and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said subdivision.

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& CURRIN, LLP
ATTORNEYS AT LAW

P. O. DRAWER 1168
OXFORD, N. C. 27565

ARTICLE V

The Corporation shall have the following powers:

1. The Corporation shall have all of the powers and privileges granted to nonprofit corporations under the laws pursuant to which the Corporation is chartered, and all of the powers and privileges which may be granted unto said Corporation under any other applicable laws of the State of North Carolina.

2. The Corporation shall have all the powers reasonably necessary to implement and effectuate the purposes of the Corporation, including but not limited to the following:

(a) To make and establish reasonable rules and regulations governing the use of the subdivision lots and common area in the property as said terms may be defined in said Declaration to be recorded.

(b) To levy and collect assessments against members of the Corporation to defray common expenses of the subdivision as may be provided in said Declaration and in the By-Laws of this Corporation which may be hereafter adopted, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal.

(c) To maintain, repair, replace, operate and manage the Huntstone Subdivision and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvement of the subdivision property, and to make and enter into any and all contracts necessary or desirable to accomplish said purposes.

(d) To contract for the management of the Huntstone Subdivision and to delegate to such contractor all of the powers and duties of the Corporation except those which may be required by the Declaration to have approval of the membership of the Corporation.

(e) To acquire and enter into, now or at any time hereafter, leases and agreements whereby the Corporation acquires leaseholds, memberships, and other possessory or use interests in land or facilities, whether or not contiguous to the lands of Huntstone Subdivision to provide for the use or benefit to the owners of town home.

(f) To enforce the provisions of the Declaration, these Articles of Incorporation, the By-Laws of the Corporation which may be hereafter adopted, and the rules and regulations governing the use of the Huntstone Subdivision as the same may be hereafter established.

(g) To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Corporation pursuant to the Declaration.

ARTICLE VI

The Corporation will have members. The qualification of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

1. The Owners of all lots in the Huntstone Subdivision shall be members of the Corporation, and no other person or entities shall be entitled to membership, except as provided in item (5) of this Article VI.

2. Membership shall be established by the acquisition of fee title to a lot in the Huntstone Subdivision, or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the membership of a party shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in any lot, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more lots or who may own a fee ownership interest in two or more lots, so long as such party shall retain title to or a fee ownership interest in any lot.

3. The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his lot. The funds and assets of the Corporation shall belong solely to the Corporation subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration and in the By-Laws which may be hereafter adopted.

4. The Corporation shall have two classes of voting membership. Class A members shall be all those owners as defined in Section Two (2) of Article I of the formal Declaration of Protective Covenants, Conditions & Restrictions, as they shall be entitled to one (1) vote per lot owned. The Class B member shall be the Declarant. The Class B member shall be entitled to one vote for each vote held by a Class A member, together with one vote for each lot owned by the Old Oxford Road Partners, plus thirty (30) additional votes for any undeveloped acreage owned by the Old Oxford Road Partners lying within the original overall proposed Huntstone Subdivision project.

5. Until such time as the property described in the Declaration and the improvements constructed thereon, are recorded in the Office of the Register of Deeds of Vance County, North Carolina, the membership of the Corporation shall be comprised of the four (4) individuals named in Article XII hereof as the initial Board of Directors of the Corporation, and each such individual shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

ARTICLE VII

The Corporation may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the voting members as defined in items (4) and (5) of Article VI.

Upon dissolution of the Corporation, other than incident to a merger of consolidation, the residual assets of the Corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Corporation was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE VIII

The Corporation shall have perpetual existence.

ARTICLE IX

The affairs of the Corporation shall be managed by the President of the Corporation, assisted by the Vice-President, Secretary and Treasurer. The President, with the approval of the members, may employ a Managing Agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the Huntstone Subdivision and the affairs of the corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Corporation or an Officer of the Corporation.

ARTICLE X

The initial number of members who shall serve as the Board of Directors of the Corporation as specified in the By-Laws shall be four (4).

ARTICLE XI

The members shall elect a President, Vice-President, Secretary and Treasurer. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of the President and Vice-President shall not be held by the same person, nor shall the office of President and Secretary be held by the same person.

ARTICLE XII

The names and post office addresses of the members who shall serve as initial Board of Directors as specified in the By-Laws, who, subject to the provisions of these Articles of Incorporation, the By-Laws and the laws of the State of North Carolina, shall manage the Corporation until the first Annual Meeting of the Membership are as follows:

Jack E. Ferguson

129 W. Belle Street
Henderson, North Carolina 27536

Joseph A. Ross

Post Office Box 785
Henderson, North Carolina 27565

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& CURRIN, LLP
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David R. Carver

3419 Cameron Drive
Henderson, North Carolina 27536

David W. Parham

2930 Poplar Creek Road
Henderson, North Carolina 27537

ARTICLE XIII

The original By-Laws of the Corporation shall be adopted by a majority vote of the members of the Corporation present at a meeting of members at which a majority of the membership is present, and thereafter, such By-Laws may be altered or rescinded only in such manner as said By-Laws provide.

ARTICLE XIV

Every officer of the Corporation shall be indemnified by the Corporation 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 an Officer of the Corporation, whether or not he is an Officer at the time such expenses are incurred, except in such cases wherein the 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 Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the members approve such settlement and reimbursement as being in the best interest of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Officer may be entitled.

ARTICLE XV

An amendment or amendments to these Articles of Incorporation shall require the assent of two-thirds (2/3) of the membership.

ARTICLE XVI

The names and addresses of the incorporators are as follows:

Jack E. Ferguson

2495 Barker Road
Henderson, North Carolina 27565

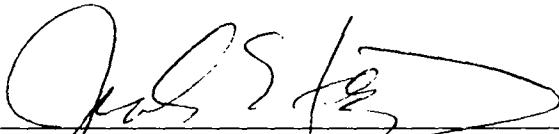
David W. Parham

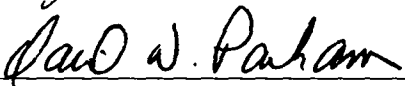
2930 Poplar Creek Road
Henderson, North Carolina 27537

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IN WITNESS WHEREOF, we being the incorporators, have hereunto set our hands and seals, this the 29th day of October, 2003.

 (SEAL)
Jack E. Ferguson, Incorporator

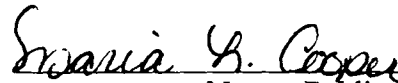
 (SEAL)
David W. Parham, Incorporator

NORTH CAROLINA

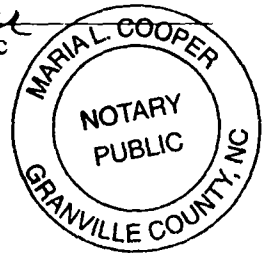
GRAVILE COUNTY

I, a Notary Public in and for the State and County aforesaid, do hereby certify that Jack E. Ferguson personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial Seal, this the 29th day of October, 2003.


Notary Public

My commission expires: 1-22-07



NORTH CAROLINA

GRAVILE COUNTY

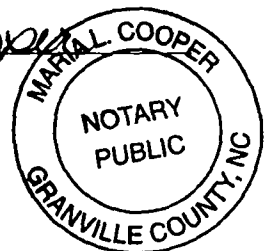
I, a Notary Public in and for the State and County aforesaid, do hereby certify that David W. Parham personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial Seal, this the 29th day of October, 2003.


Notary Public

My commission expires: 1-22-07

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