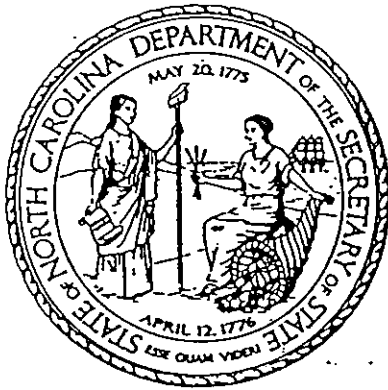




State of North Carolina

NOTICE

The issuance of a corporate charter to any domestic corporation or a certificate of authority to any foreign corporation does not authorize the use in this State of the corporate name in violation of the rights of any third party under the Federal Trademarks Act, the Trademark Act of this State, a trade name or the common law; and the issuance of such charter or certificate will not be a defense to an action for violation of any such rights.

Certified Copy
from
The Department of The
Secretary of State
to be Recorded
with the
Register of Deeds

ARTICLES OF INCORPORATION
OF
LOCHWINDS ASSOCIATION

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:

FILED
THAD EURE
SECRETARY OF STATE
NORTH CAROLINA
DATE 03/22/88 TIME 12:22

ARTICLE I

The name of the corporation is Lochwinds Association, hereafter called the "Association."

ARTICLE II

The principal and registered office of the Association is located at 444 N. Elm Street, Greensboro, Guilford County, North Carolina 27401.

ARTICLE III

Edward M. Harrington whose address is 444 N. Elm Street, Greensboro, Guilford County, North Carolina 27401, 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, preservation and architectural control of the Lots and Regime Common Area within that certain tract of property described as follows:

Lying and being in Wake County, North Carolina, and being more particularly described as that tract designated as "13.3157 Acres" on the plat recorded in Map Book 1984, Page 715 of the Wake County Registry.

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 Wake 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 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 all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) 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;

(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 Regime Common Area to any public agency, authority, or utility 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 at least two-thirds (2/3) of each class of Members 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) have and to 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 classes of voting membership:

Class A. Class A Members shall be all Owners other than the Declarant. Class A Members shall be entitled to one 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 vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) 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 equal the total votes outstanding in the Class B membership;

(b) on December 31, 1992.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors who need not be members of the Association. The number of members of the first Board of Directors shall be three (3). The number of directors on subsequent Boards shall be as set forth in 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>
Edward M. Harrington	444 N. Elm Street Greensboro, NC 27401
Franklin D. Blaylock	444 N. Elm Street Greensboro, NC 27401
James D. Galyon, Jr.	444 N. Elm Street Greensboro, NC 27401

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

VETERANS ADMINISTRATION APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration provided that FHA or VA insured loans have been obtained to purchase lots: connection of additional properties, mergers and consolidations, mortgaging of Regime Common Area, dissolution and amendment of these Articles of Incorporation.

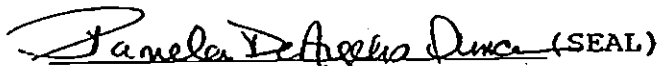
ARTICLE XII

INCORPORATOR

The name and address of the incorporator is as follows:

Name	Address
Pamela DeAngelis Duncan	500 NCNB Building 101 West Friendly Avenue Greensboro, NC 27401

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal this 11 day of December, 1987.

 (SEAL)
Pamela DeAngelis Duncan

NORTH CAROLINA

GUILFORD COUNTY

THIS IS TO CERTIFY, that on the 11 day of December, 1987, before me, a Notary Public, personally appeared Pamela DeAngelis Duncan, who I am satisfied is the person named in and who executed the foregoing Articles of Incorporation, and I having first made known to her the contents thereof, she did acknowledge that she signed and delivered the same as her voluntary act and deed for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this the 11 day of December, 1987.

Marie J. Mann
Notary Public

My Commission Expires:

MARIE J. MANN
NOTARY PUBLIC
DAVIDSDN COUNTY, NC
Comm. Expires Sept. 4, 1990

BK4253700187

DRAWN BY AND MAIL TO: Charles N. Anderson, Jr.
Smith Helms Mulliss & Moore
P. O. Box 27525
Raleigh, North Carolina 27611

NORTH CAROLINA

WAKE COUNTY

DECLARATION SUBJECTING
LAND IN LOCHWINDS TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
LOCHWINDS RECORDED IN BOOK 4222,
PAGE 495, WAKE COUNTY REGISTRY.

000207

THIS DECLARATION, made this 3 day of May, 1988 by 1st
Home Federal Savings and Loan Association of the Carolinas,
F.A., a North Carolina Corporation (herein referred to as the
"Additional Declarant") and 1st Home Investment Corporation, a
North Carolina corporation (hereinafter referred to as the
"Declarant");

WITNESSETH

THAT WHEREAS, Declarant subjected the real property
described in Book of Maps 1986, Page 1350, Wake County Registry
to the Declaration of Covenants, Conditions and Restrictions for
Lochwinds recorded in Book 4222, Page 495, Wake County Registry;
and

WHEREAS, Additional Declarant currently owns Lots 1 - 9 as
shown on the map recorded in Book of Maps 1986, Page 1350, Wake
County Registry, and desires to join Declarant in subjecting
those lots to the Declaration of Covenants, Conditions and
Restrictions for Lochwinds.

NOW THEREFORE, Additional Declarant hereby joins Declarant
in the Declaration of Covenants, Conditions and Restrictions for
Lochwinds recorded in Book 4222, Page 495, Wake County Registry

PRESENTED
FOR
REGISTRATION
88 MAY -3 PM 2:44

BK425360188

and hereby declares that the following described real property located in Cary, Wake County, North Carolina, and being a portion of Lochwinds at Lochmere, is and shall be held, transferred, sold and conveyed subject to the Declaration of Covenants, Conditions and Restrictions for Lochwinds recorded in Book 4222, Page 495, Wake County Registry:

Being all of Lots 1-9, according to the map entitled "Lochwinds at Lochmere, Phase One, Lots 1-20, Cary, North Carolina," dated July 22, 1988 and recorded in Book of Maps 1986, Page 1350, Wake County Registry.

The hereinabove described land shall be subject to all the terms, requirements and conditions of said Declaration of Covenants, Conditions and Restrictions for Lochwinds, the provisions of which are herein specifically incorporated by reference as if fully herein set out.

IN WITNESS WHEREOF, Additional Declarant and Declarant have caused this Declaration to be executed in their Corporate names by their proper officers thereunto duly authorized, all as of the day and year first above written.

ADDITIONAL DECLARANT

1ST HOME FEDERAL SAVINGS AND
LOAN ASSOCIATION OF THE CAROLINAS, F.A.

BY: *[Signature]*
Name, Title

[Circular Notary Seal]
ATTEST:
[Signature]
Name, Title *Asst. Secretary*

BK4253PG0189

DECLARANT

1ST HOME INVESTMENT CORPORATION

BY:

Name, Title

[Signature] Vice President



ATTEST:

Name, Title

Edward M. Harton, President

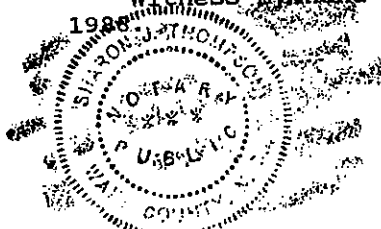
BK4253PG0190

NORTH CAROLINA

Wake COUNTY

I, a Notary Public of the County and State aforesaid, do hereby certify that Raymond W. Wall, III personally appeared before me this day and acknowledged that he is the Asst. Secretary of 1st Home Federal Savings and Loan Association of the Carolinas, F.A., a North Carolina corporation, and that by authority duly given, and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by him as its Asst. Secretary.

Witness my hand and official seal this 3rd day of May,



Sharon J. Thompson
Notary Public

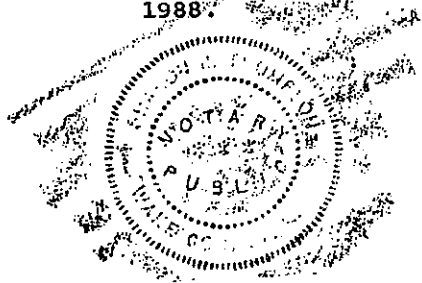
My commission expires: 10-12-91

NORTH CAROLINA

Wake COUNTY

I, a Notary Public of the County and State aforesaid, do hereby certify that Edward M. Harrington personally appeared before me this day and acknowledged that he is the Vice President Secretary of 1st Home Federal Investment Corporation, a North Carolina corporation, and that by authority duly given, and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by him as its Vice President Secretary.

Witness my hand and official seal this 3rd day of May, 1988.



Sharon J. Thompson
Notary Public

My commission expires: 10-12-91

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate S of _____

Sharon J. Thompson Notary Public is
(are) certified to be correct. This instrument and this certificate are duly registered at the date and time
and in the book and page shown on the first page hereof

KENNETH C. WILKINS, Register of Deeds

By Kenneth C. Wilkins
Asst./Deputy Register of Deeds