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ARTICLES OF INCORPORATION
OF
NORTH FORT HOMEOWNERS ASSOCIATION, INC

Effective
ELAINE F. MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

In accordance with the requirements of Chapter 55A of the North Carolina Statutes, the undersigned 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 "NORTH FORT HOMEOWNERS ASSOCIATION, INC.", hereinafter called "the corporation".

ARTICLE II

The principal and registered office of the Corporation is 4181 NC 42 East, Clayton, NC 27520, Johnston County.

ARTICLE III

David Milton Flowers, whose address is 4181 NC 42 East, Clayton, NC 27520, Johnston County, 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, members, or any other private individual, and upon dissolution of the corporation the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provision made therefor, be distributed to any association organized for similar purposes, as set forth in the bylaws of the Corporation. The purposes and objects of the Corporation shall be to administer the operation and management of North Fort Subdivision hereinafter called ("the Subdivision").

ARTICLE V

The corporation shall have the following powers:

1. The Corporation shall have all the powers and privileges granted to non-profit corporations under the law pursuant to which this 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 lots in North Fort Subdivision.

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

(c) To acquire and enter into, now or at any time hereafter, leases and agreements whereby the Association acquires leaseholds, memberships, and other possessory or use interests in land or facilities including, but not limited to, swimming pools, tennis courts, and other recreational facilities, whether or not contiguous to the lands of the Subdivision to provide enjoyment, recreation, or other use or benefit to the owners of the lots.

(d) To enforce the provisions of these Articles of Incorporation, the By-Laws of the corporation which may be hereafter adopted, and the rules and regulations governing and the use of the Lots as the same may be hereafter established.

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

ARTICLE VI

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 Subdivision shall be members of the Corporation, and no other persons or entity 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 lots in the Subdivision or by acquisition of fee ownership interest therein, whether by conveyance, devise, judicial decree, or otherwise and the membership of any party shall be automatically terminated upon him 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, 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

members of the Corporation at the Annual Meeting of the membership as provided by the By-Laws of the Corporation, and at least a majority of the Board of Directors shall be members of the Corporation or shall be authorized representatives, officers, or employees of the corporate member of the Corporation. Notwithstanding the foregoing, so long as any units are unsold, but in any event no longer than January 1, 2001, David Milton Flowers shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Corporation. David Milton may designate and select the person or persons to serve as a member or members of each said Board of Directors in the manner provided in the By-Laws of the Corporation, and such person or persons so designated and selected need not be a resident of the Subdivision.

ARTICLE X

The Board of Directors shall elect a President, a Vice-President, Secretary, and Treasurer. The President may be elected from among the membership of the Board of Directors, but no other officer need be a Director. 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 XI

The names and addresses of the Initial Board of Directors, who, subject to the provisions of these Articles of Incorporation, the By-Laws, and the laws of the State of North Carolina, shall hold office until the first Annual Meeting of the Membership (or until their successors are elected and qualified) are as follows:

DAVID MILTON FLOWERS
4181 NC 42 EAST
CLAYTON, NC 27520

HELEN JEAN FLOWERS
4181 NC 42 EAST
CLAYTON, NC 27520

ARTICLE XII

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 XIII

Every Director and 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 of in which he may become involved by reason of his being or having been a Director or Officer of the Corporation, 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, 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 interest of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights which such Director or Officer may be entitled. Indemnification shall not be applicable to receive any officer or director from liability which results from their own ownership of a lot.

ARTICLE XIV

An amendment or amendments to these Articles of Incorporation shall require the affirmative vote of Lot Owners owning at least seventy-five percent (75%) of the aggregate undivided interest in the Common Areas and Facilities of the Subdivision. (If a larger vote is required to take or refrain from taking a specific action, no amendment shall be valid until the members owning such larger percentage execute the amending instrument.)

No amendment to these Articles of Incorporation which shall abridge, amend, or alter the right of David Milton Flowers to designate and select members of each Board of Directors of the Corporation, as provided in Article IX hereof, may be adopted or become effective without the prior written consent of David Milton Flowers.

ARTICLE XV

The name and address of the Incorporator is as follows:

**DAVID MILTON FLOWERS
4181 NC 42 EAST
CLAYTON, NC 27520**

IN TESTIMONY WHEREOF, I, being the incorporator, have set my hand and seal, this 1st day of April, 1999.

David Milton Flowers (SEAL)
DAVID MILTON FLOWERS INCORPORATOR

NORTH CAROLINA
JOHNSTON COUNTY

I, the undersigned Notary Public, hereby certify that David Milton Flowers personally appeared before me and being by me first duly sworn, declare that he signed the foregoing instrument in the capacity indicated and that the statements contained are true.

WITNESS my hand and notarial seal, this 1st day of April, 1999.

Dawn E. Beasley
Notary Public
My commission expires: 3-2-2004

