

Articles Of Incorporation
Of The
CORNERSTONE VILLAGE HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapters 47F and 55A 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 as follows:

ARTICLE I
NAME

The name of the corporation is the **CORNERSTONE VILLAGE HOMEOWNERS ASSOCIATION, INC.** (hereinafter the "Association").

ARTICLE II
REGISTERED OFFICE AND INITIAL AGENT; PRINCIPAL OFFICE

The registered office of the Association is located at 100 Europa Drive, Chapel Hill (Orange County), North Carolina 27517. The name of the initial registered agent at such address is Edward J. Bedford.

The initial principal office of the Association is located at 2514 Reliance Avenue, Apex, North Carolina, 27539. The location of the registered and the principal offices of the Corporation may be changed by a majority vote of the Board of Directors.

ARTICLE III
PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate a pecuniary gain or profit to the Members thereof. The specific purposes for which the Association is formed are to own and maintain the Common Area (as defined in that certain Declaration Of Covenants, Conditions, Restrictions, Easements, Charges And Liens For The Cornerstone Village Homeowners Association, Inc., to be recorded in the Wake County Registry, as from time to time amended, said document, together with all amendments thereto, if any, being herein referred to as the "Declaration") within the subdivision known as the Cornerstone Village (hereinafter the "Subdivision"), and for these purposes, to:

(a) exercise all powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, the Bylaws of the Association, and the North Carolina Planned Community Act, N.C.G.S. Chapter 47F (hereinafter the "Act"); and

(b) have and exercise any and all powers, rights and privileges which a corporation organized under the North Carolina Nonprofit Corporation, N.C.G.S. Chapter 55A, may by law now or hereafter have or exercise.

ARTICLE IV
FINANCE

The Association is a non-stock corporation and no part of the profits, if any, of the Association shall inure to the pecuniary benefit of its Members or any of them, or to any other person.

ARTICLE V
MEMBERSHIP AND VOTING RIGHTS

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot (defined in the Declaration) which is subject by the Declaration to assessment by the Association, including contract sellers, shall be a Member (defined in the Declaration) 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. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

The voting rights of the Members shall be provided in the Declaration and Bylaws of the Association.

ARTICLE VI
MANAGEMENT OF THE ASSOCIATION

The affairs of the Association shall be managed by an initial Board of three (3) Directors. The persons who are to act in the capacity of Director until the selection of his successor(s) are:

<u>Name</u>	<u>Address</u>
Michael Dean Chadwick	2514 Reliance Avenue, Apex, North Carolina, 27539
Robert S. Shank	2514 Reliance Avenue, Apex, North Carolina, 27539
Don McEnteer	2514 Reliance Avenue, Apex, North Carolina, 27539

The election or appointment of Directors of the Association shall be governed by the Bylaws of the Association.

ARTICLE VII
DISSOLUTION

The Association may be dissolved only upon the signed written assent of Members entitled to at least eighty percent (80%) of the votes of the entire membership and at least three-fourths (3/4) of the votes appurtenant to each Class of Lots. Upon dissolution, 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 the Association was created. In the event that such dedication is not accepted, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization devoted to similar purposes. Notwithstanding anything herein to

the contrary, the Common Area (defined in Article I, Section 5 of the Declaration) shall be preserved to the perpetual benefit of the owners of Lots within the Subdivision and shall not be conveyed except to the City of Raleigh or to another non-profit corporation organized for similar purposes.

ARTICLE VIII
DURATION

The period of existence of the Association is perpetual.

ARTICLE IX
AMENDMENTS

Amendment of these Articles shall require the assent of Members entitled to at least eighty percent (80%) of votes of the entire membership.

ARTICLE X
FHA/VA APPROVAL

As long as there is Class B membership (as defined in the Declaration and Bylaws), the following actions require the prior approval of the Federal Housing Administration or the Secretary of Veterans Affairs: annexation of additional property not included within the property identified on Exhibit B to the Declaration, mergers or consolidation, dissolution, mortgaging of Common Area, dedication or otherwise deeding of Common Area to persons other than the Association, and amendment of these Articles of Incorporation.

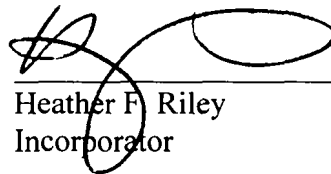
ARTICLE XI
INCORPORATOR

The name and address of the incorporator is as follows:

Heather F. Riley

3716 National Drive, Suite 100
Raleigh, North Carolina 27612

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, as of the day and year set forth in the notary acknowledgment below.



Heather F. Riley
Incorporator

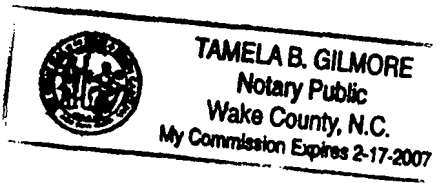
(Seal)

STATE OF NORTH CAROLINA -- WAKE COUNTY:

I, Tamela B. Gilmore, a Notary Public for said County and State, do hereby certify that Heather F. Riley personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 13th day of April, 2004.

[Stamp or Seal]



Tamela B. Gilmore
Notary Public
My commission expires: _____