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**ARTICLES OF INCORPORATION  
OF  
CHURTON GROVE HOMEOWNERS ASSOCIATION, INC.  
(A NONPROFIT CORPORATION)**

Pursuant to §55A-2-02 of the North Carolina General Statutes, the undersigned does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation:

1. The name of the corporation is:

**CHURTON GROVE HOMEOWNERS ASSOCIATION, INC.**

2. The corporation is not a charitable or religious corporation.
3. The street address and county of the initial registered office of the corporation is:

**211 Chancellor's Ridge Drive  
Durham, NC 27713  
Durham County**

4. The name of the initial registered agent of the corporation at the above address is:

**Patrick A. O'Neal**

5. The name and address of the incorporator is:

**Frederick A. Burke  
3622 Lyckan Parkway, Suite 5008  
Durham, NC 27707**

6. The corporation will have members. Membership shall be restricted to owners of a fee or undivided fee interest in any of the 410 single family lots located in the Churton Grove Subdivision located in Orange County, North Carolina (the "Subdivision") which is subject by covenants of record to assessment by the Corporation.

7. In accomplishing its purposes and objectives, no part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, directors, officers or any other private persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes as set forth herein. Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income taxation under §501(c)(7) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of a future United States Internal Revenue Code (the "Code").

In the event of a dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation to the County of Orange, North Carolina or to such other organization(s) as shall at that time qualify as tax exempt organization(s) under §501(c) of the Code as the Board of Directors shall then determine, which assets shall be used exclusively for the purposes of the corporation. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes and to such organization(s) as are set forth above.

8. To the fullest extent permitted by applicable law, no officer or director of the corporation shall have any personal liability arising out of any action whether by or in the right of the corporation or otherwise for monetary damages for breach of any duty as an officer or director; provided, however, that the foregoing shall not apply to any act or omission by an officer or director which constitutes a misappropriation of assets of the Corporation. Any repeal or modification of this article shall be prospective only and shall not adversely affect any limitation hereunder on personal liability of an officer or director with respect to acts or omissions occurring prior to such repeal or modification.

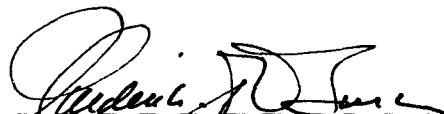
9. The street address of the principal office of the corporation, and the county in which said office is located, is:

**211 Chancellor's Ridge Drive  
Durham, NC 27713  
Durham County**

10. Amendment of these Articles of Incorporation shall require the approval of at least two-thirds ( $\frac{2}{3}$ ) of the lot owners; provided, however, that the incorporator may amend these Articles of Incorporation if less than one hundred (100) lots in the Subdivision have been sold by the developer.

11. These articles will be effective when filed.

This the 30<sup>th</sup> day of March, 2001.

  
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**Frederick A. Burke, Incorporator**