



NORTH CAROLINA

Department of The Secretary of State

To all whom these presents shall come, Greetings:

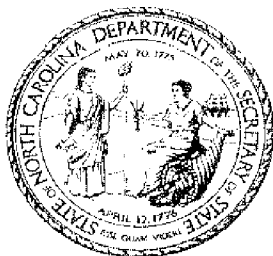
I, **ELAINE F. MARSHALL**, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION

OF

DUNCAN'S RIDGE ASSOCIATION, INC.

the original of which was filed in this office on the 6th day of October, 2004.



IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official seal at the
City of Raleigh, this 6th day of October, 2004

Elaine F. Marshall
Secretary of State

SOSID: 746637

Date Filed: 10/6/2004 8:27:00 AM

Elaine F. Marshall

North Carolina Secretary of State

C200427800101

**ARTICLES OF INCORPORATION
OF
DUNCAN'S RIDGE ASSOCIATION, INC.**

In compliance with the requirements of Chapter 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:

ARTICLE I

The name of the corporation is DUNCAN'S RIDGE ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located at 125 Hampton Pines Drive, Morrisville, Wake County, North Carolina 27560, and the initial registered office of the Association is located at 125 Hampton Pines Drive, Morrisville, Wake County, North Carolina 27560.

ARTICLE III

Thomas A. Beebe, whose address is 125 Hampton Pines Drive, Morrisville, Wake County, North Carolina 27560 is hereby appointed the initial Registered Agent of this Association.

ARTICLE IV

This 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 administer the operation and management of the

common areas of Duncan's Ridge, a residential development to be established in accordance with the laws of the State of North Carolina upon the property situate, lying and being in Holly Springs Township, Wake County, North Carolina, and more particularly described in the Declaration of Covenants and Restrictions for Duncan's Ridge and incorporated herein by reference; to undertake the performance of the acts and duties incident to the administration of the operation and management of said common area in accordance with the terms, provisions, conditions and authorizations contained in these Articles of Incorporation and which may be contained in the formal Declaration of Covenants and Restrictions for Duncan's Ridge which have been recorded in the Public Records of Wake County, North Carolina; 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 common area.

ARTICLE V

The Association shall have the following general powers and any other impliedly arising therefrom:

1. The Association shall have all of the powers and privileges granted to NonProfit Corporations under the law pursuant to which this Association is chartered, and all of the powers and privileges which may be granted unto said Association under any other applicable laws of the State of North Carolina.

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

a. To make and establish reasonable rules and regulations governing the use of Lots, and Common Area as said terms may be defined in said Declaration of Covenants and Restrictions for Duncan's Ridge to be recorded.

b. To levy and collect assessments against members of the Association to defray the common expenses of the common area and Association business as may be provided in said Declaration of Covenants and Restrictions for

Duncan's Ridge and in the Bylaws of this Association 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, including common area lots, which may be necessary or convenient in the operation and management of the common area and in accomplishing the purposes set forth in said Declaration of Covenants and Restrictions for Duncan's Ridge.

c. To maintain, repair, replace, operate and manage the common area, including the right to construct improvements after casualty and to make further improvement of the common area, and to make and enter into any and all contracts necessary or desirable to accomplish said purposes.

d. To contract for the management and maintenance of the common area and to delegate to such contractor all of the powers and duties of the Association except those which may be required by the Declaration of Covenants and Restrictions for Duncan's Ridge to have approval of the Board of Directors or membership of the Corporation.

e. 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 lands or facilities whether or not contiguous to the lands of the common area to provide enjoyment, recreation or other use or benefit to the owners of Lots.

f. To enforce the provisions of the Declaration of Covenants and Restrictions for Duncan's Ridge, these Articles of Incorporation, the Bylaws, and rules and regulations governing the use of said common area and operations of the Association 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.

5. The membership of the Association shall be comprised of the three (3) individuals named in Article XII hereof as the initial Board of Directors of the Association, 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 Association shall have perpetual existence.

ARTICLE VIII

The affairs of the Association shall be managed by a Board of Directors and by officers consisting of a President of the Association assisted by the Vice President, Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, subject to the directions of the Board of Directors. The Board of Directors, or the President with the approval of the Board of Directors, 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 common area and the affairs of the Association and any such person or entity may be so employed without regard to whether such person or entity is a member of the Association or a Director or Officer of the Association, as the case may be.

ARTICLE IX

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, or as provided in the Declaration, 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X

The number of members of the first Board of Directors of the Association shall be three (3). The number of members of succeeding Boards of Directors shall be as provided from time to time by the Bylaws of the Association. The members of the Board of Directors shall be elected by the members of the Association at the Annual Meeting of the membership as provided by the Bylaws of the Association and at least a majority of the Board of Directors shall be members of the Association or shall be authorized representatives, officers or employees of a corporate member of the Association. Notwithstanding the foregoing, for a period of not longer than through December 31, 2009, the Developer, as a Type "B" Member, shall have the right to designate and select the persons who shall serve as members of the Board of Directors of the Association. Developer may designate and select the person or persons to serve as a member or members of the Board of Directors of the Association in the manner provided in the Bylaws of the Association, and such person or persons so designated and selected need not be an owner or lessee of a Lot.

ARTICLE XI

The Board of Directors shall elect a President, Vice President, Secretary and Treasurer, and as many Assistant Secretaries and Assistant Treasurers as the Board of Directors shall determine. The President and Vice President shall 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 (2) offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE XII

The names and post office addresses of the initial Board of Directors who, subject to the provisions of these Articles of Incorporation, Bylaws, and the laws of the

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 interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.


ARTICLE XV

Any amendments to these Articles of Incorporation shall require the assent of seventy five percent (75%) of the membership. No amendment to these Articles of Incorporation which shall abridge, amend or alter the right of Developer to designate and select members of each Board of Directors of the Association, as provided in Article X hereof, may be adopted or become effective without the prior written consent of Developer.

ARTICLE XVI

The name and address of the incorporator is as follows: THOMAS A. BEEBE, 125 Hampton Pines Drive, Morrisville, Wake County, North Carolina 27560.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this 30 day of SEPTEMBER, 2004.

 (SEAL)

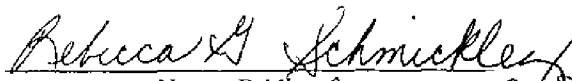
THOMAS A. BEEBE

Incorporator

STATE OF NORTH CAROLINA
COUNTY OF WAKE

This is to certify that on this 30 day of September, 2004, before me, the undersigned, a Notary Public of said County and State, personally appeared Thomas A. Beebe, who I am satisfied is the person named in and who executed the foregoing Articles of Incorporation of Duncan's Ridge Association, Inc., and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 30 day of September, 2004.


Notary Public REBECCA G. SCHMICKLEY

My Commission Expires JUNE 9, 2009