

STATE OF
NORTH
CAROLINA



COPY

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

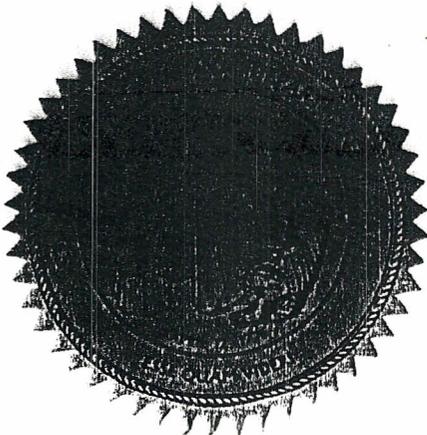
ARTICLES OF INCORPORATION

OF

REGENCY LAKE VILLAGE/LAKESIDE FARM DAM
AND MAINTENANCE ASSOCIATION, INC.

the original of which was filed in this office on the 14th day of September, 1998.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 14th day of September, 1998.



Elaine F. Marshall

Secretary of State

6-0470518
FILED

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EFFECTIVE
ELAINE F. MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

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State of North Carolina
Department of the Secretary of State
ARTICLES OF INCORPORATION
NONPROFIT CORPORATION

The undersigned person, of legal age, acting as incorporator for the purpose of creating a nonprofit corporation under the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, entitled "Nonprofit Corporation Act", and the several amendments thereto, does hereby set forth:

1. The name of the corporation is: REGENCY LAKE VILLAGE/LAKESIDE FARM DAM AND LAKE MAINTENANCE ASSOCIATION, INC.

2. The period of duration of the corporation shall be perpetual.

3. The purpose(s) for which the corporation is organized are any lawful purpose, and without limiting the generality thereof, the specific purposes set forth in Paragraph 10 below.

4. The corporation shall have members as provided by the Corporation's Bylaws, the Declaration (as defined hereinbelow) and these Articles.

5. (a) The street address and county of the initial registered office of the corporation is:

Number and Street: 158 Regency Road
City, State, Zip Code: Mooresville, NC 28117
County: Iredell

(b) The street address and county of the principal office of the corporation is:

Number and Street: 158 Regency Road
City, State, Zip Code: Mooresville, NC 28117
County: Iredell

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

Peter J. Lomas

7. The number of directors constituting the initial board of directors shall be three (3), and the names and addresses (including street and number) of the persons who are to serve as directors until the first meeting of the corporation or until their successors are elected and qualified are:

Name: Peter J. Lomas
Street Address: 158 Regency Road
City, State, Zip Code: Mooresville, NC 28117
County: Iredell

Name: Linda J. Bremer
Street Address: 515 Kemp Road
City, State, Zip Code: Mooresville, NC 28117
County: Iredell

Name: David B. Hood
Street Address: 135 Wood Duck Loop
City, State, Zip Code: Mooresville, NC 28117
County: Iredell

8. The name and address (including street and number) of the incorporator is:

Kenneth A. Morrow
167 Franklin Drive
Mooresville, NC 28115

9. The Association does not contemplate a pecuniary gain or profit to the members thereof, and no part of the Association's net income shall inure to the benefit of its officers, administrators, members or any other private individual. The purposes and objects of the Association shall be to administer the operation and management of the private Lake and Dam at Regency Lake Village and Lakeside Farm Subdivisions in Davidson Township, Iredell County, North Carolina and to undertake the performance of the acts and duties incident to the administration of the operation and management of said Lake and Dam in accordance with the terms, provisions, conditions and authorization contained in these Articles of Incorporation, the Declaration, and the Bylaws of the corporation and to own, operate, lease, buy, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of the Lake and Dam.

10. The Association shall have the following powers:

(a) The Association shall have all of the powers and privileges granted to nonprofit corporations under the law pursuant to which the Association is chartered and all of the powers and privileges which may be granted unto the Association under any other applicable laws of the State of North Carolina.

(b) The Association shall have all the powers reasonably necessary to implement and effectuate the purposes of the Association including, but not limited to, the following:

(c) To make and establish reasonable rules and regulations governing the use of the Lake and Dam in accordance with the Declaration of Covenants, Conditions and Restrictions for Certain Lots in Regency Lake Village Subdivision and Lakeside Farm Subdivision (the "Declaration") recorded in the Iredell County Register of Deeds.

(c) To levy and collect assessments against Lot Owners of the Association to defray the Common Expenses and charges of the Association as may be provided in the Declaration and in the Bylaws of the Association which may be hereafter adopted, including the right to levy and collect assessments for the purpose of acquiring, operation, leasing, managing, selling and otherwise trading and dealing with such property, whether real or personal which may be necessary or convenient in the operation and management of the Lake and Dam and in accomplishing the purposes set forth in the Declaration.

(d) To maintain, repair, replace, operate and manage the Lake and Dam and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvements of the Lake and Dam and to make and accomplish said purposes.

(e) to contract for the management of the Lake and Dam and to delegate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration to have approval of the Board of Directors or Lot Owners.

(f) to acquire and enter into, now or at any time hereafter, deeds, leases and agreements whereby the Association acquires fee title, leaseholds, memberships and other possessory or use interests in land or facilities whether or not contiguous to the lands of the Lake and Dam to provide benefit to the owners of the Lake and Dam.

(g) To enforce the provisions of the Declaration, these Articles of Incorporation, the Bylaws of the Association which may be hereafter adopted and the rules and regulations governing the use of the Lake and Dam as the same may be hereafter established.

(h) To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association by the Declaration.

11. 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:

(a) The owners of all the Lots described in the Declaration shall be members of the Association, as well as any other Lot Owners in Regency Lake Village or Lakeside Farm Subdivisions who shall hereafter assent or be ordered to become a member of the Association.

(b) Membership shall be established by the acquisition of fee ownership in a Lot as defined in the Declaration or acquisition of a fee ownership interest therein, whether by

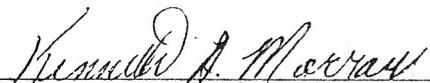
conveyance, devise, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in any Lot, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more Lots or who may own a fee ownership interest in two or more Lots so long as such party shall retain title to or a fee ownership interest in any Lot.

(c) The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance of his Lot. The funds and assets of the Association shall belong solely to the Association subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration, and in the Bylaws which may be hereafter adopted.

12. The original Bylaws of the Association shall be adopted by a majority vote of the Initial Board of Administrators present at a meeting of the Administrators at which a majority of the Administrators are present, and thereafter, such Bylaws may be altered and rescinded only in such manner as said Bylaws provide.

13. Upon a voluntary dissolution of the Association, all liabilities and obligations of the Association shall be paid and discharged, or adequate provisions made therefor, and the remainder of the corporation's assets shall be distributed on a pro-rata basis to the then owners of the respective Lots in the Association in a manner not inconsistent with the pertinent provisions of Article 14 of Chapter 55A of the North Carolina General Statutes.

In testimony whereof, the undersigned incorporator has set its hand and seal, this the 19 day of August, 1998.

 (SEAL)
Name: Kenneth A. Morrow
Title: Incorporator

STATE OF NORTH CAROLINA
COUNTY OF IREDELL

I, Miranda S. Underwood, a Notary Public, do hereby certify
that Kenneth A. Morrow
personally appeared and acknowledged
the execution of the foregoing Articles of Incorporation.

In Testimony Whereof, I have hereunto set my hand and official
seal, this the 19th day of August, 1998.

Miranda S. Underwood

Notary Public

My Commission Expires: 02/01/2003