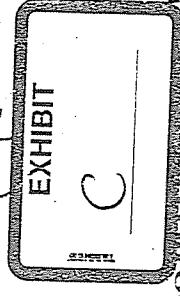


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STATE OF NORTH CAROLINA



Department of the
Secretary of State

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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

FILED
DAKE COUNTY NC
05/12/98 11:09 AM
BARBARA M. GRAY
Register Of Deeds

ARTICLES OF INCORPORATION
OF
NANTUCKET VILLAGE ASSOCIATION II, INC.

the original of which was filed in this office on the 22nd day of
April, 1998.

IN WITNESS WHEREOF, I have hereunto set my
hand and affixed my official seal at the City of
Raleigh, this 22nd day of April, 1998.



Elaine F. Marshall

Secretary of State

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Book 45 7012
FILED
9:04am

ARTICLES OF INCORPORATION
OF
NANTUCKET VILLAGE ASSOCIATION II, INC.

APR 22 1998

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EFFECTIVE
ELAINE F MARSHALL
SECRETARY OF STATE

NORTH CAROLINA
by mark

I, the undersigned, a natural person of the age of eighteen years or more, do hereby acknowledge these Articles of Incorporation for the purpose of forming a Non-Profit Corporation under and by virtue of the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, entitled, "Non-Profit Corporation Act", and the several amendments thereto, and to that end hereby set forth:

I
NAME

The name of the corporation is NANTUCKET VILLAGE ASSOCIATION II, INC.

II
DURATION

The period of duration of the corporation shall be perpetual.

III
PURPOSES AND POWERS

The purposes for which this corporation is organized are:

- (a) The operation and management of a residential condominium project known as the Nantucket Village II, which will be established in accordance with Chapter 47C of the General Statutes of North Carolina, the North Carolina Condominium Act and to that end shall have power and authority:
 - (i) To undertake the performance of, and carry out the acts and duties incident to the administration of the operation and management of the Nantucket Village II in accordance with the terms, provisions, conditions and authorization contained in these Articles and in the Declaration which shall be recorded in the Public Records of Dare County, North Carolina, at such time as portions of real property and the improvements thereon are submitted to a plan of Unit Ownership;
 - (ii) To make, establish and enforce reasonable rules and regulations governing the use of condominium units, common elements, limited common elements, condominium property and real and personal property which may be owned by the Association itself;
 - (iii) To make, levy and collect assessments against condominium unit owners; to provide the funds to pay for common expenses of the condominium as provided in the condominium documents and the Unit Ownership Act and,

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to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association;

- (iv) To maintain, repair, replace and operate the condominium property, specifically including all portions of the condominium property to which the Association has the right and power to maintain, repair, replace and operate in accordance with the condominium documents and the Unit Ownership Act;
- (v) To reconstruct improvements within the condominium property in the event of casualty or other loss;
- (vi) To enforce by any legal means, the provisions of the condominium documents, including the Declaration, these Articles, the By-Laws of the Association, and the rules and regulations for the use of the condominium property;
- (vii) To contract for the management of the condominium, if so desired, and to delegate to such manager or managers all powers and duties of the Association except those powers and duties which are specifically required by the Declaration to have approval of the Board of Directors or the membership of the Association.

(b) The Association shall have all the common law and statutory powers of a non-profit corporation which are not in conflict with the terms of the Condominium Declaration.

IV MEMBERSHIP

(a) The membership of the **NANTUCKET VILLAGE ASSOCIATION II, INC.** shall consist of all of the owners of the condominium units in the Nantucket Village II Condominium Project. Membership shall be established by acquisition of fee title to a condominium unit in the Nantucket Village II Condominium Project. A new owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior owner as to the condominium unit designated shall be terminated. Each new owner shall deliver to the Association a true copy of such deed or instrument of acquisition of title.

(b) The share of a member in the funds and assets of the corporation, and membership in the corporation cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to a condominium unit.

(c) There shall be one class of membership in the **NANTUCKET VILLAGE ASSOCIATION II, INC.** which shall consist of members owning condominium units in the Nantucket Village II Condominium Project.

V
DIRECTORS

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- (a) The number of Directors and the method of election of the Directors shall be fixed by the By-Laws, however, the number of Directors shall not be less than three (3).
- (b) The number of Directors constituting the initial Board of Directors shall be three (3) and the names and addresses of the persons who are to serve as the first Board of Directors are as follows:

NAME	ADDRESS
Edwin K. Anderson	10717 Meadowood Drive, Vienna, VA, 22181
John E. Gallagher	508 Owensview Avenue, Apollo, PA 15613
Vincent F. Iannuzzelli	P.O. Box 11, Oldwick, NJ 08858

- (c) The first election by the members of the corporation for Directors shall not be held until after the Developer has relinquished control of the Association as described in Paragraph (d) of this Article V. Thereafter, the election of Directors shall take place at the annual meeting of the membership as provided in the By-Laws. After the Developer has relinquished control, there shall be a special meeting of the membership for the purpose of electing a Board of Directors to serve until the next annual meeting and until new Directors are elected.

- (d) The first Board shall consist of the three (3) persons elected by the Developer, whose names are set forth in the Articles, and successors to any thereof elected by the Developer. The Developer shall have the right to appoint Directors. However, Declarants control shall terminate no later than the earlier of (i) one hundred and twenty (120) days after conveyance of seventy-five (75%) percent of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than a Declarant; (ii) two (2) years after all Declarants have ceased to offer Units for sale in the ordinary course of business; or (iii) within three (3) years. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of that period, but in that event the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

Not later than sixty (60) days after conveyance of twenty-five (25%) percent of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than a Declarant, at least one (1) member and not less than twenty-five (25%) percent of the members of the Board of Directors shall be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty (50%) percent of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than Declarant, not less than thirty-three (33%) percent of the members of the Board of Directors shall be elected by Unit Owners other than the Declarant.

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VI
REGISTERED OFFICE AND REGISTERED AGENT

The address of the initial registered office of the Corporation is 3120 N. Croatan Highway, Suite 101, Kill Devil Hills, Dare County, NC, 27948 and the name of the initial registered agent at such address is E. Crouse Gray, Jr.

VII
CORPORATE OFFICE

The address of the principal office of the Corporation is 3120 N. Croatan Highway, Suite 101, Kill Devil Hills, Dare County, NC, 27948.

VIII
MERGER

The directors of the Corporation are specifically authorized and allowed, without the joinder of any member, to authorize and approve the merger of the Nantucket Village Association II, Inc. into the Nantucket Village Association, Inc. by approval of a majority of the directors then in office.

IX
TAX STATUS

The corporation shall have all the powers granted non-profit corporations under the laws of the State of North Carolina. Notwithstanding any other provisions of these Articles, this corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code. It is further provided that no distributions of income of the corporation are to be made to members, directors or officers of the corporation provided, however, that members of the corporation may receive a rebate of any excess dues and assessments.

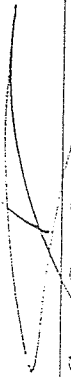
X
DISTRIBUTION

Upon dissolution, the assets of the Corporation shall be distributed pursuant to North Carolina General Statute § 55A-14-03 and North Carolina General Statute § 47C-2-118.

XI
INCORPORATOR

The name and address of the incorporator is: E. Crouse Gray, Jr., Esquire, GRAY & LLOYD, L.L.P., 3120 North Croatan Highway, Suite 101, Kill Devil Hills, NC 27948.

April IN TESTIMONY WHEREOF, I have hereunto set my hand and seal, this the 15 day of _____, 1998.



E. Crouse Gray, Jr. (SEAL)