

State of North Carolina
Department of the Secretary of State

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Elaine F. Marshall
North Carolina Secretary of State

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ARTICLES OF MERGER
NONPROFIT CORPORATION

Pursuant to §55A-11-04 of the General Statutes of North Carolina, the undersigned corporation does hereby submit the following Articles of Merger as the surviving corporation in a merger between two domestic nonprofit corporations.

1. The name of the surviving corporation is Kenmure Property Owners Association, Inc.,
a corporation organized under the laws of North Carolina; the name of the merged corporation is
Kenure Homeowners Association, Inc., a corporation organized under the laws of
North Carolina.
2. Attached is a copy of the Plan of Merger that was duly approved in the manner prescribed by law for each of the corporations participating in the merger.
3. With respect to the surviving corporation (*check either a, b, and/or c, as applicable*):
 - a. ___ Member approval was not required for the merger, and the plan of merger was approved by a sufficient vote of the board of directors.
 - b. Member approval was required for the merger, and the plan of merger was approved by the members as required by Chapter 55A of the North Carolina General Statutes.
 - c. ___ Approval of the plan of merger by some person or persons other than the members or the board was required pursuant to N.C.G.S. Section 55A-11-03(a)(3), and such approval was obtained.
4. With respect to the merged corporation (*check either a, b, and/or c, as applicable*):
 - a. ___ Member approval was not required for the merger, and the plan of merger was approved by a sufficient vote of the board of directors.
 - b. Member approval was required for the merger, and the plan of merger was approved by the members as required by Chapter 55A of the North Carolina General Statutes.
 - c. ___ Approval of the plan of merger by some person or persons other than the members or the board was required pursuant to N.C.G.S. Section 55A-11-03(a)(3), and such approval was obtained.
5. These articles will be effective upon filing, unless a delayed date and/or time is specified: _____

This is the 12th day of NOVEMBER, 2002.

Kenmure Property Owners Association, Inc.

Name of Corporation

Paul H. Covillion

Signature

Paul H. Covillion, President.

Type or Print Name and Title

Notes:

1. Filing fee is \$25. This document and one exact or conformed copy of these articles must be filed with the Secretary of State.
2. Certificate(s) of Merger must be registered pursuant to the requirements of N.C.G.S. Section 47-18.1.

NORTH CAROLINA
HENDERSON COUNTY

PLAN OF MERGER
OF
KENMURE HOMEOWNERS ASSOCIATION, INC.
INTO
KENMURE PROPERTY OWNERS ASSOCIATION, INC.

The Kenmure Property Owners Association, Inc., (the “Surviving Corporation”) a nonprofit corporation organized under the laws of North Carolina, hereby submits Plan of Merger for the purpose of merging the Kenmure Homeowners Association, Inc., (the “Merging Corporation”) a nonprofit corporation organized under the law of North Carolina, into the Surviving Corporation.

The following Plan of Merger was duly approved in the manner prescribed by Chapter 55A of the North Carolina General Statutes (NCGS §§ 55A-1-01 et seq.) (“Nonprofit Corporation Act”) by the members of each of the corporations participating in the merger:

A. CORPORATIONS PARTICIPATING IN THE MERGER.

The Kenmure Homeowners Association, Inc. (the “Merging Corporation”) will merge into the Kenmure Property Owners Association, Inc. which will be the “Surviving Corporation.”

B. NAME OF THE SURVIVING CORPORATION.

After the merger, the Surviving Corporation shall have the name: KENMURE PROPERTY OWNERS ASSOCIATION, INC., (the “Association”).

C. MERGER.

The merger of the Merging Corporation and the Surviving Corporation shall be effectuated pursuant to the terms and conditions of this Plan upon the effective date of the Articles of Merger (the “Effective Date”). Upon the merger becoming effective, the corporate existence of the Merging Corporation shall cease, and the corporate existence of the Surviving Corporation shall continue.

D. MEMBERSHIP STATUS.

All members of the Merging Corporation are existing members of the Surviving Corporation. Members of the Surviving Corporation are all of the property owners in the Kenmure (herein the “Members”), as more specifically described in the Amended and

Restated Declaration of Restrictive Covenants for Kenmure (the "Declaration") recorded, or to be recorded, in the Henderson County, North Carolina Register of Deeds.

E. ASSET TRANSFER.

As of the Effective Date, all assets of the Merging Corporation shall be transferred to the Surviving Corporation, including, but not limited to, real estate, bank accounts, records and equipment.

F. SURVIVING CORPORATION BOARD OF DIRECTORS.

The Board of Directors of the Surviving Corporation (the "Board") shall be increased from five Directors to seven Directors and the Board shall be made up of the following combination of Directors from the Merging Corporation and the Surviving Corporation who shall serve until January 31, 2003 or until a new Board is elected, whichever occurs first:

- | | |
|--------------------|-----------------------|
| 1. Paul Couvillion | Surviving Corporation |
| 2. Jim Mosakowski | Surviving Corporation |
| 3. Gene King | Surviving Corporation |
| 4. Nick Weedman | Merging Corporation |
| 5. Bill Woerner | Merging Corporation |
| 6. Joyce Robb | Merging Corporation |
| 7. Ed Lichtenhagen | Merging Corporation |

G. ELECTION OF OFFICERS.

The Board shall meet as soon as practicable after the Effective date to elect officers and conduct whatever other business is necessary or required.

H. AUTHORIZATION FOR THE BOARD TO SIGN THE DECLARATION.

Until otherwise specified in the Bylaws, the Board shall be authorized to prepare, execute, certify adoption and approval by the members and record the Amended and Restated Declaration of Restrictive Covenants for Kenmure Subdivision, a Planned Community ("Declaration") on behalf of the Members of the Association and the President of the Board shall be authorized to execute the Transfer Agreement between the KPOA and Kenmure Properties Limited Partnership, a North Carolina Limited Partnership, by Kenmure Enterprises, Inc., a North Carolina Corporation, as General Partner.


I. ANNUAL MEETING OF THE SURVIVING CORPORATION.

The first Annual Meeting of the Surviving Corporation after the Effective Date shall

be held at 7:00 o'clock PM., on the 11th day of December, 2002. Thereafter, Annual Meetings of the Surviving Corporation shall be held each year to elect Directors and conduct other necessary business, as provided by the Bylaws.

IN WITNESS HEREOF, we the undersigned Presidents of the merging corporations certify that this Plan of Merger has been duly approved by the respective Boards of Directors of the two corporations and the members of each corporation in accordance with the laws of North Carolina.

Kenmure Property Owners
Association, Inc.


President

(Corporate Seal)

Attest:

C. Eugene King
Secretary

Kenmure Home Owners
Association, Inc.

Beverly B. Witrand
President

(Corporate Seal)

Attest:

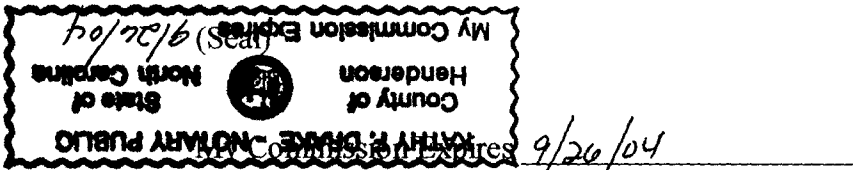
Jayne B. Rolt
Assistant Secretary

STATE OF NORTH CAROLINA
HENDERSON COUNTY

I, *Kathy F. Drake*, Notary Public for said County and State, certify that *C. Eugene King* personally came before me this day and acknowledged that (s)he is Secretary of the Kenmure Property Owners Association, a nonprofit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself/himself as its Secretary.

Witness my hand and official seal, this the 12 day of November, 2002.

Kathy F. Drake
Notary Public

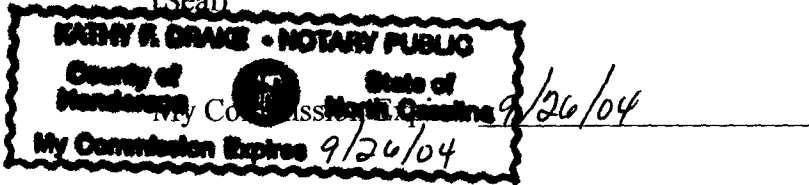


STATE OF NORTH CAROLINA
HENDERSON COUNTY

I, Kathy F. Drake, Notary Public for said County and State, certify that Joyce B. Robb personally came before me this day and acknowledged that (s)he is an Assistant Secretary of the Kenmure Home Owners Association, a nonprofit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself/himself as its Assistant Secretary.

Witness my hand and official seal, this the 12 day of November, 2002.

(Seal)



Kathy F. Drake
Notary Public

State of North Carolina
Department of the Secretary of State

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ARTICLES OF AMENDMENT
NONPROFIT CORPORATION

Pursuant to §55A-10-05 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following Articles of Amendment for the purpose of amending its Articles of Incorporation.

1. The name of the corporation is: Kenmure Property Owners Association, Inc.
2. The text of each amendment adopted is as follows (*state below or attach*):

“ See Attached”

3. The date of adoption of each amendment was as follows:

November 1, 2002

4. (*Check a, b, and/or c, as applicable*)

a. _____ The amendment(s) was (were) approved by a sufficient vote of the board of directors or incorporators, and member approval was not required because (*set forth a brief explanation of why member approval was not required*) _____

b. The amendment(s) was (were) approved by the members as required by Chapter 55A.

c. _____ Approval of the amendment(s) by some person or persons other than the members, the board, or the incorporators was required pursuant to N.C.G.S. §55A-10-30, and such approval was obtained.

5. These articles will be effective upon filing, unless a date and/or time is specified: _____

This the 21st day of January, 2003

Kenmore Property Owners Association, Inc.
Name of Corporation



Signature

H. N. Weedman, President KPOA
Type or Print Name and Title

Notes:

1. Filing fee is \$25. This document and *one* exact or conformed copy of these articles must be filed with the Secretary of State.

2) The text of each amendment adopted is as follows:

1. The period of duration of the corporation is perpetual.

2. The purposes for which the corporation is organized are:

a. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended from time to time, including enforcement of the restrictive covenants.

b. To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration, and to pay all expenses in connection therewith, and all other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.

c. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, manage, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association. However, it shall not be a purpose of the corporation, and the corporation is not authorized, to acquire or manage the Kenmure Country Club.

d. To borrow money and mortgage, pledge, secure, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred as provided in the Bylaws.

e. To dedicate, sell or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Board and as provided in the Bylaws.

f. To serve as the governing body of the association of property owners of the development known as Kenmure located in the village of Flat Rock, Henderson County, North Carolina.

g. Notwithstanding any of the provisions of these Articles, to be organized exclusively for those purposes within the meaning of Section 528 of the Internal Revenue Code, as amended (or the corresponding provision of any future United States Internal Revenue law).

h. To have and to exercise any and all powers, rights and privileges provided for a lot owners association in the Planned Community Act, North Carolina General Statutes Chapter 47F and which a corporation organized under the Nonprofit

Corporation Act of the State of North Carolina by law may now or hereafter have or exercise.

3. The corporation shall have members as provided by the Bylaws.

4. No part of the net earnings of the corporation shall inure (other than acquiring, constructing or providing management, maintenance and care of association property and other than by rebate of excess membership dues, fees or assessments) to the benefit of, or be distributable to, its directors, officers, members or other private persons. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activity not permitted to be carried out by a homeowner's association as defined in Section 528 of the Internal Revenue Code, as amended (or the corresponding provision of any future United States Internal Revenue law).