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BOOK 20 PAGE 680

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Department of
 REGISTER OF DEEDS
 of the STATE OF NORTH CAROLINA
 Secretary of State

State of North Carolina

To all to whom these presents shall come, Greeting:

I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached (, sheets) to be a true copy of

ARTICLES OF INCORPORATION

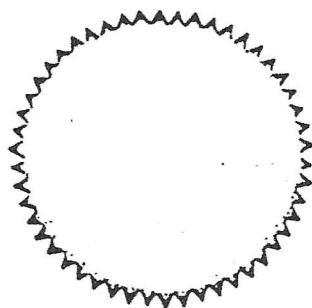
OF

PINEHURST TRACE HOMEOWNERS ASSOCIATION

and the probates thereon, the original of which was filed in this office on the 19th day of July 19 85, after having been found to conform to law.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

Done in Office, at Raleigh, this 19th day of July in the year of our Lord 19 85.



Thad Eure
 Secretary of State
 By *[Signature]*
 Deputy Secretary of State

\$11.50 fee due

Van Camp

ARTICLES OF INCORPORATION

OF

PINEHURST TRACE HOMEOWNERS ASSOCIATION

JULY 14 1983
DATE OF FILING

The undersigned natural person of the age of eighteen (18) years or more hereby forms a non-profit corporation under 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 does hereby set forth:

ARTICLE I

NAME

The name of the corporation is PINEHURST TRACE HOMEOWNERS ASSOCIATION (hereinafter referred to as the "Association").

ARTICLE II

DURATION

The period of duration of the Association shall be perpetual.

ARTICLE III

PURPOSES AND POWERS

The Association does not contemplate a pecuniary gain or profit to its members, and the purposes for which the Association is organized are:

(a) To manage, maintain, operate, care for and administer residential Lots and Common Areas within Pinehurst Trace, a detached single-family and attached single-family development established in accordance with the laws of North Carolina upon certain real property near the Village of Pinehurst, Moore County, North Carolina, by means of a Declaration of Protective Covenants, Restrictions and Easements for Pinehurst Trace (the "Declaration") which have been recorded in the Moore County, North Carolina, Public Registry.

(b) To undertake the performance of the acts and duties incident to the administration of the operation and management of Pinehurst Trace in accordance with the terms, provisions, conditions and authorization contained in these Articles of Incorporation, the By-Laws of the Association

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and the Declaration and to do any and all other lawful things and acts that the Association from time to time, in its discretion, may deem to be for the benefit of the members of the Association; and

(c) To exercise all powers provided in Chapter 55A of the General Statutes of North Carolina in furtherance of the above-stated purposes.

ARTICLE IV

FINANCE

The Association is not organized for pecuniary profit, nor shall it have any power to issue certificates of stock or pay dividends, and no part of the net earnings or assets of the Association shall be distributed, upon dissolution or otherwise, to any member, director or officer of the Association.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

(a) Each person or entity who is a record owner of a fee or undivided fee interest in any Lot, which is subject by covenants of record to assessment by the Association, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

(b) There shall be one class of members in the Association as provided for in the Declaration.

(c) The members of the Association shall have the right to vote for the election and removal of directors and upon such other matters with respect to which the right to vote is given to members under the Declaration or under the provisions of Chapter 55A of the General Statutes of North Carolina, the voting rights of the members being more particularly described in the Declaration and the By-Laws.

ARTICLE VI

REGISTERED OFFICE AND INITIAL AGENT

The address of the initial registered office of the Association is The Theatre Building, Village Green West and Cherokee Roads, Pinchurst, Moore

County, North Carolina, 28374, and the name of its initial registered agent of the Association at such address is James R. Van Camp.

ARTICLE VII

BOARD OF DIRECTORS

The business and conduct of the Association shall be regulated by a Board of Directors who need not be members of the Association and who shall be elected in the manner and for the terms as provided in the By-Laws. The number of directors constituting the Initial Board of Directors shall be three; and the names and addresses of the persons who are to serve as the initial directors until the selection of their successors are:

Name

Address

John H. Crabtree, III

1 Shelter Place
Post Office Box 1089
Greenville, South Carolina 29602

William S. Wills

1 Shelter Place
Post Office Box 1089
Greenville, South Carolina 29602

Douglas C. Brown

1 Shelter Place
Post Office Box 1089
Greenville, South Carolina 29602

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every officer and every director of this Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with any proceeding to which he is a party, or in which he may become involved, by reason of his being or having been an officer or director of this Association, whether or not he is an officer or director at the time such expenses are incurred, except in such cases wherein the officers or directors are judged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, in the event of any claim for reimbursement or indemnification hereunder based upon the settlement by

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the officer or director seeking such reimbursement or indemnification, indemnification herein shall only apply if the Board of Directors approve 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 IX DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the members. 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 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 non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

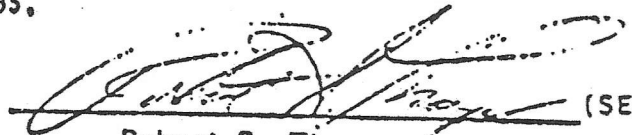
ARTICLE X AMENDMENTS

Any amendment or amendments to these Articles of Incorporation shall require the assent of the members to at least two-thirds (2/3) of the vote of the members.

ARTICLE XI INCORPORATOR

The name and address of the Incorporator is Robert S. Thompson, The Theatre Building, Village Green West and Cherokee Road, Pinchurst, North Carolina, 28374.

IN TESTIMONY WHEREOF, the undersigned has set his hand and seal, this the 19th day of July, 1985.

 (SEAL)
Robert S. Thompson