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**ARTICLES OF INCORPORATION
OF
SOUTHERN CHASE AT BENT TREE
HOMEOWNER'S ASSOCIATION, INC.**

P-0413729
FILED

3:45 pm
DEC 20 1996

**EFFECTIVE
JANICE H. FAULKNER
SECRETARY OF STATE**

The undersigned, being of the age of eighteen (18) years or more, does hereby make and 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.

**ARTICLE I
NAME**

The name of the corporation is **SOUTHERN CHASE AT BENT TREE HOMEOWNER'S ASSOCIATION, INC.**, hereinafter called the "Association."

**ARTICLE II
DURATION**

The duration of the Association is perpetual.

**ARTICLE III
PURPOSE**

The purposes for which the Association is organized and the powers it will possess are:

a. To operate without contemplating 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.

b. To provide for architectural control of the construction, erection and installation of any improvements on lots located in that residential development known as Southern Chase at Bent Tree, and more particularly described below.

c. To provide for the beautification and maintenance and to build and maintain facilities and improvements on the Common Area within that certain tract of land described as Southern Chase at Bent Tree, and being:

- (1) All of that certain parcel of land shown on that plat entitled Southern Chase at Bent Tree, Phase 1, which appears of record in the Office of the Register of Deeds of Guilford County, North Carolina, recorded in Plat Book 122, Page 110.

- (2) Additional land within the boundaries of that property described in Exhibit "A" attached hereto and incorporated herein by reference which may be annexed by D. R. Horton, Inc. - Greensboro, a North Carolina Corporation, its successors and/or assigns (hereinafter referred to as the "Declarant"), without the consent of Members of the Association within fifteen (15) years after the date of the incorporation of the Association.
- (3) Such property as may be annexed at any time with the express consent of two thirds (2/3) of the votes entitled to be cast by the Class A Members and two thirds (2/3) of the votes entitled to be cast by the Class B Members.

d. To promote the health, safety, and welfare of the residents within the above described property and any additions thereto that may hereafter be brought within the jurisdiction of the Association for these purposes.

e. To exercise all the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions for Southern Chase at Bent Tree, hereinafter called the "Declaration," applicable to the property and recorded in the Office of the Register of Deeds of Guilford County, North Carolina, as the same may be amended from time to time. The terms used herein shall have those meanings as defined in the Declaration.

f. To do and perform all acts, services, functions and duties directly or indirectly connected with the commencement and continued operation of the affairs of an association of owners.

g. To engage in any lawful act or activity and to have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of North Carolina (Chapter 55A, North Carolina General Statutes) by law may now or hereafter exercise.

ARTICLE IV **MEMBERSHIP**

The membership of the Association shall consist of the Declarant for so long as it shall be an Owner of the Lot in Southern Chase at Bent Tree, and every 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 assessments by the Association, including contract sellers, but excluding persons who hold an interest merely as security for performance of an obligation. Ownership of such interest shall be the sole qualification of membership. No Owner shall have more than one membership, except as expressly provided hereinafter. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot in Southern Chase at Bent Tree.

ARTICLE V

VOTING RIGHTS

Section 1. Classes of Memberships: The Association shall have two (2) classes of voting membership:

a. **Class A.** Class A Members shall be all Owners as defined in Article V of the Declaration, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by said Article V. When more than one person or entity holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot and no fractional vote may be cast with respect to any Lot.

b. **Class B.** The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds a fee or undivided fee interest; provided, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

1. The total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership; or
2. Ten (10) years after the date of the Declaration.

With the recording of new Sections of Southern Chase at Bent Tree, and the annexation of additional lands subject to the jurisdiction of the Association, new Class A and Class B Memberships shall be created, and the conversion of Class B Memberships to Class A Memberships shall be made separately with respect to each such section of Southern Chase at Bent Tree.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. Initial Board: The affairs of the Association shall be managed by a Board of Directors, as set out in the By-Laws, who need not be Members of the Association. The initial Board shall consist of three (3) Directors. The names and addresses of the persons who are to act in the capacity of and constitute the initial Board of Directors, until the election and qualification of their successors, are:

<u>Name</u>	<u>Address</u>
M. Lee McAllister	1400 Battleground Avenue, Suite 122 Greensboro, North Carolina 27408
Thomas C. Hall	1400 Battleground Avenue, Suite 122 Greensboro, North Carolina 27408
James L. Eskridge, Jr.	1400 Battleground Avenue, Suite 122 Greensboro, North Carolina 27408

Section 2. Election and Term: At the first annual meeting, the Directors shall be elected as required by the By-Laws. The term of the Directors elected shall be as provided in the By-Laws. All Directors shall serve until their successors have been duly qualified and elected.

Section 3. Subsequent Elections. The method of election of Directors after the first election held pursuant to Section 2 hereof shall be as provided in the By-Laws.

ARTICLE VII MERGERS AND CONSOLIDATION

To the extent permitted by the law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes, provided, no merger or consolidation may be effectuated unless two-thirds (2/3) of each class of all the votes entitled to be cast by the membership are cast in favor of merger or consolidation at an election held for such purpose. In such event the holder of Class B voting rights shall be entitled to one vote for each Lot which it owns.

ARTICLE VIII REGISTERED AGENT AND OFFICE

The principal and initial registered office of the Association is located at 1400 Battleground Avenue, Suite 122, Greensboro, Guilford County, North Carolina 27408. M. Lee McAllister is the initial registered agent of the Association at that address.

ARTICLE IX DISSOLUTION OR INSOLVENCY

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of 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 the 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

Section 1. Amendment by Membership: Except as herein provided, any amendment to these Articles may be accomplished with the assent of seventy five (75%) percent of all Lot Owners in Southern Chase at Bent Tree, voting in person or by proxy; provided, however, that any amendment which shall materially and adversely affect the validity or priority of the lien of or the rights of Institutional Lenders (as hereinafter defined) holding first mortgage loans on property located within Southern Chase at Bent Tree shall be required to have the prior approval of such Institutional Lenders. "Institutional Lender" shall mean and refer to banks, savings and loan associations, insurance companies, other firms or entities customarily affording loans secured by first liens on residences, and other eligible insurers and governmental guarantors. Notwithstanding

anything contained in this Article X, no amendment relating to the maintenance and ownership of any permanent detention ponds on any land in Southern Chase at Bent Tree shall be made without review and approval by the governmental office having jurisdiction for watershed protection. Should additional property later be brought within the jurisdiction of this Association, pursuant to the Declaration, it shall not be necessary to amend these Articles to annex such additional property.

Section 2. Recordation: No amendment made pursuant to this section shall be effective until duly recorded in the Office of the Secretary of State of North Carolina.

ARTICLE XI INCORPORATOR

The name and address of the incorporator is as follows:

M. Lee McAllister
1400 Battleground Avenue
Suite 122
Greensboro, NC 27408

ARTICLE XII INDEMNIFICATION

To the fullest extent permitted by the North Carolina Nonprofit Corporation Act as it exists or may hereafter be amended, no person who is serving or who has served as a director of the corporation shall be personally liable for monetary damages for breach of any duty as a director. No amendment or repeal of this article, nor the adoption of any other amendment to these Articles of Incorporation inconsistent with this article, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to such amendment, repeal, or adoption.

ARTICLE XIII HUD/VA APPROVAL

As long as there is a Class B member, the following acts will require the prior approval for compliance with established HUD or VA guidelines: Annexation of additional properties, except annexations of additional properties described in Exhibit "A" attached hereto effected pursuant to Article VIII of the Declaration, merger, consolidation, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this non-profit corporation under the laws of the State of North Carolina, the undersigned, as incorporator, has executed these Articles of Incorporation this 25th day of October, 1996.


M. Lee McAllister, Incorporator

NORTH CAROLINA

GUILFORD COUNTY

I, CAROLYN P. SHARPE, a Notary Public, do hereby certify that **M. LEE MCALLISTER** personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This 25 day of OCTOBER, 1996.

Carolyn P. Sharpe
Notary Public

My Commission Expires:

JANUARY 19, 2000

EXHIBIT A

That certain piece, parcel or tract of land situated in the City of High Point, North Carolina, High Point Township, Guilford County, North Carolina, more particularly described as follows:

BEGINNING at an iron pipe at the intersection of the southwest margin of the right-of-way of Willard Dairy Road (State Road No. 1836) and the northwest margin of the right-of-way of Southwest School Road (State Road No. 1971); and running thence South 32° 14' 20" West 1,331.58 feet along the northwest margin of the right-of-way of Southwest School Road to an iron pipe, said pipe being South 23° 34' 16" East 284.08 feet from an existing North Carolina Geodetic Survey Marker "Willard"; thence North 86° 18' 54" West 1,659.17 feet along the northern margin of the right-of-way of Southwest School Road to an iron pipe; thence North 33° 16' 47" West 1,319.57 feet along the northeast margin of the right-of-way of Southwest School Road to the centerline of Barrow Road (State Road 1833); thence with the centerline of Barrow Road North 45° 31' 57" East 74.45 feet to a point; thence continuing with the centerline of Barrow Road North 48° 14' 05" East 600.74 feet to a point which is the intersection of the centerline of Barrow Road and the centerline of the 50 foot wide right-of-way of Piedmont Natural Gas Company; thence with the centerline of Piedmont Natural Gas Company right-of-way the following five (5) courses and distances: South 60° 05' 12" East 38.31 feet to a gas line marker; South 56° 47' 07" East 319.86 feet to a gas line marker; South 56° 57' 14" East 312.18 feet to a gas line marker; South 54° 58' 07" East 430.49 feet to a gas line marker; and South 54° 35' 22" East 265.84 feet to a point which is the intersection of the centerline of the Piedmont Natural Gas Company right-of-way and the centerline of the 70 foot wide Colonial Gas right-of-way; thence North 62° 43' 28" East 1,178.98 feet along the centerline of the Colonial Gas right-of-way to a point in the southwest margin of the right-of-way of Willard Dairy Road; thence along the southwest margin of the right-of-way of Willard Dairy Road South 52° 49' 31" East 513.27 feet to the point of BEGINNING, the above described property is further shown on that survey prepared by Evans Engineering, Inc., dated December 1, 1995.