

**ARTICLES OF INCORPORATION**  
**OF**  
**COTTESMORE**  
**HOMEOWNERS ASSOCIATION, INC.**

In compliance with the requirements of Chapter 55-A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

**ARTICLE I**

The name of the corporation is Cottesmore Homeowners Association, Inc. hereinafter called the "Association."

**ARTICLE II**

The principal and registered office of the Association is located at 3411-D West Wendover Avenue, Greensboro, Guilford County, North Carolina 27407.

**ARTICLE III**

Willard Tucker, whose address is 3411-D West Wendover Avenue, Greensboro, Guilford County, North Carolina 27407, is hereby appointed the initial registered agent of this Association.

**ARTICLE IV**

**PURPOSE AND POWERS OF THE ASSOCIATION**

The Association does not contemplate 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, Executive Board members or Members or any other private individual. The purposes and objects of the Association shall be to provide for administration, maintenance, preservation and architectural control of the Lots and Common Elements within that certain tract of property described as follows:

Lying and being in Guilford County, North Carolina, and being more particularly described on **Exhibit A** attached hereto and incorporated herein by reference or so much thereof as may be brought within the jurisdiction of the Association and any additional property which may hereafter be brought within the jurisdiction of this Association (the "Properties");

and to promote the health, safety and welfare of the residents within the above described property, in accordance with the terms and conditions of that certain Declaration of Covenants,

Conditions and Restrictions for Cottesmore (hereinafter called the "Declaration"; unless otherwise defined, capitalized terms shall have the same meaning as set forth in the Declaration), now or hereafter made applicable to the Properties and recorded or to be recorded in the Office of the Register of Deeds of Guilford County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length and for this purpose to:

(a) 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.

(b) fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and 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) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, 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.

(d) borrow money, and in accordance with the terms and conditions of the Declaration, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(e) dedicate or transfer non-exclusive easements on, over and upon all or any part of the Common Elements for such purposes and subject to such conditions as may be agreed to by the Association's Executive Board; provided, however, no such dedication or transfer shall be effective unless an instrument executed on behalf of the Association by its duly authorized officers, agreeing to such dedication or transfer, has been recorded.

(f) pursuant to Section 47F-3-112 of the Planned Community Act and with the consent of the Members entitled to cast at least eighty percent (80%) of the votes of the Association (including two-thirds of the votes of the Members present at a meeting of the Members held in accordance with the Bylaws of the Association, such vote including at least a majority of the votes of the Members present other than Declarant), to dedicate or transfer fee title to all or any part of the Common Elements for such purposes and subject to such conditions as may be agreed to by the Members consenting to such dedication or transfer; provided, however, during Declarant's Development Period, Declarant must also consent to such action and, further provided that no such dedication or transfer shall interfere with or obstruct utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Elements or cause any Lot or any remaining Common Elements to fail to comply with applicable laws, regulations or ordinances.

(g) participate in mergers and consolidations with other non-profit corporations organized for the same purposes provided that any such merger or

consolidation shall have the assent of the Members entitled to cast at least two-thirds (2/3) of all outstanding votes.

(h) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

(i) in the sole discretion of its Executive Board, elect to collect, on behalf of the Master Association (as defined in the Declaration), the assessments levied by the Master Association against the Members of the Association, and to serve as the Master Association's attorney-in-fact for the purpose of enforcing the collection of such assessments and any lien securing the same.

(j) retain a management company to administer the business of the Association, provided the Association shall at all times retain the same management company as retained by the Master Association.

## ARTICLE V

### MEMBERSHIP

The qualification of the Members and the manner of their admission to Membership and termination of such Membership shall be as follows:

1. All Owners and Declarant shall be Members of the Association, and no other person or entity shall be entitled to Membership.

2. Membership shall be established by the acquisition of fee title to a Lot, or by 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.

3. 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 to 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.

## ARTICLE VI

### VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A: The Class A Members shall be every person or entity who or which 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, except for Declarant or any affiliated entity, during any Period of Declarant Control. Class A Members shall be entitled to one (1) vote for each Lot owned.

Class B: Declarant shall be the Class B Members and Declarant shall be entitled to three (3) votes for each lot shown on the "Master Plan," as defined in the Declaration, as developed or to be developed as a part of Cottesmore which has not been conveyed by Declarant or any affiliated entity, to a Class A Member. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; however, the Class B membership shall be reinstated if thereafter, and before the time stated in subparagraph (b) below, the Master Plan is amended to add additional lots developed or to be developed as a part of Cottesmore sufficient to give the Class B membership a total number of votes (with the Class B membership entitled to three (3) votes for each lot shown on the Master Plan as developed or to be developed as a part of Cottesmore which has not been conveyed by Declarant or an affiliate of Declarant to a Class A Member) greater than those of the Class A membership; or,

(b) fifteen (15) years from the date this Declaration is recorded in the Office of the Register of Deeds, Guilford County, North Carolina.

## ARTICLE VII

### EXECUTIVE BOARD

The affairs of this Association shall be managed by an Executive Board, the members of which need not be Members of the Association. During any Period of Declarant Control (as defined in the Declaration), Declarant shall have the right to appoint all of the members of the Executive Board. Declarant shall from time-to-time notify the Association in writing of the names and addresses of the members of the Executive Board appointed by Declarant. Except as otherwise provided in the Bylaws with respect to the filling of vacancies, any members of the Executive Board which Declarant is not entitled to designate or select shall be elected by the Members of the Association. The number of members of the first Executive Board shall be five (5). The number of Executive Board members on subsequent Boards shall be as set forth in the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of Executive Board members until the selection of their successors are:

<u>Names</u>	<u>Addresses</u>
Willard Tucker	3411-D West Wendover Avenue Greensboro, Guilford County, North Carolina 27407
Barry Siegal	3411-D West Wendover Avenue Greensboro, Guilford County, North Carolina 27407
Mary Munn	4310 Regency Drive, Suite 100 High Point, Guilford County, North Carolina 27265
Richelle Smart	4310 Regency Drive, Suite 100 High Point, Guilford County, North Carolina 27265
Gary Blevins	4310 Regency Drive, Suite 100 High Point, Guilford County, North Carolina 27265

#### ARTICLE VIII

#### DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by the Members entitled to cast not less than eighty percent (80%) of the votes of the Association; provided, however, the Association may not be dissolved without Declarant's consent during Declarant's Development Period. 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 IX

#### DURATION

The Association shall exist perpetually.

#### ARTICLE X

#### AMENDMENTS

These Articles may be amended, at a regular or special meeting of the Members at which a quorum is present, by a vote of (i) two-thirds of the votes cast, or (ii) a majority of the votes entitled to be cast on the amendment, whichever is less, provided, however, no amendment purporting to revoke or curtail any right herein conferred to Declarant shall be effective unless executed by Declarant, and no amendment relating to the maintenance or ownership of any permanent detention or retention pond shall be effective unless reviewed and approved by the

governmental office having jurisdiction for watershed protection. Notwithstanding the foregoing, Declarant may at anytime unilaterally amend these Articles to terminate or restrict any right reserved hereunder by Declarant and Declarant, during Declarant's Development Period, may unilaterally amend these Articles to make any changes required by the VA, the FHA, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or any other private or governmental insurer of residential mortgage loans in order to obtain the approvals necessary for purchasers of Lots to obtain financing insured by any of the foregoing mortgage insurers.

## ARTICLE XI

### FEDERAL HOUSING ADMINISTRATION AND DEPARTMENT OF VETERANS AFFAIRS APPROVAL

During the Period of Declarant Control, the following actions will require the prior approval of the Federal Housing Administration ("FHA") or the Department of Veterans Affairs ("VA"), provided that FHA or VA insured loans have been obtained to purchase Lots: annexation of additional properties; mergers and consolidations; mortgaging of Common Elements; dissolution of the Association; and amendment of these Articles of Incorporation.

## ARTICLE XII

### INDEMNIFICATION

Every person who is or shall be or shall have been a member of the Executive Board or officer of the Association and his or her personal representative shall be indemnified by the Association against all costs and expenses reasonably incurred by or imposed on him or her in connection with or resulting from any action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been a member of the Executive Board or officer of the Association or any subsidiary or affiliate thereof, except in relation to such matters as to which he or she shall finally be adjudicated in such action, suit or proceeding to have acted in bad faith or to have been liable by reason of willful misconduct in the performance of his or her duty as such member of the Executive Board or officer. For purposes of this provision, "costs and expenses" shall include, without limiting the generality thereof, attorneys' fees, damages and reasonable amounts paid in settlement. Nothing contained in these Articles shall be deemed to eliminate or reduce the protection from personal liability granted to members of the Executive Board by the North Carolina Nonprofit Corporation Act and by the Articles of Incorporation of the Association.

## ARTICLE XIII

### INCORPORATOR

The name and address of the incorporator is as follows: Brian W. Byrd, Suite 1400, Wachovia Tower, 300 North Greene Street, Greensboro, North Carolina, 27401.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this 12<sup>th</sup> day of September, 2005.

Brian W. Byrd (SEAL)  
**Brian W. Byrd**  
Incorporator

NORTH CAROLINA

GUILFORD COUNTY

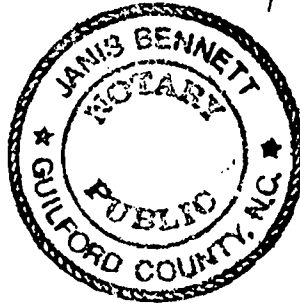
THIS IS TO CERTIFY, that on the 12 day of September, 2005, before me, a Notary Public, personally appeared Brian W. Byrd, who I am satisfied is the person named in and who executed the foregoing Articles of Incorporation, and I having first made known to him the contents thereof, he did acknowledge that he signed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF I have hereunto set my hand and seal this the 12 day September, 2005.

Janis Bennett  
Notary Public

My Commission Expires:

10-23-2006





## EXHIBIT A

All of that property located in Deep River Township, City of High Point, Guilford County, North Carolina, and being described as follows:

Beginning at an existing concrete monument, located at the southeast corner of the Edward L. Williard property as recorded in Deed Book 3295, Page 158, and the northeast corner of the within described property; Running thence along the western line of the J. Roland Gossett property as recorded in Deed Book 3218, Page 698, S.  $32^{\circ}59'38''$  W. 132.60' to an existing iron rod, said Gossett's southwest corner and the northwest corner of the Edward L. Williard property as recorded in Deed Book 4507, Page 1873; Thence with said Williard's western line S.  $32^{\circ}50'22''$  W. 1720.96' to an existing iron rod; Thence continuing with said Williard's western line S.  $33^{\circ}19'36''$  W. 224.45' (passing an existing iron pipe at 199.75'), to a point in the paving of Willard Dairy Road; Thence the two following courses and distances within the paving of Willard Dairy Road, N.  $52^{\circ}57'42''$  W. 1063.00' to a point and N.  $48^{\circ}58'09''$  W. 1084.03' to a point; Thence along the eastern line of the Charles W. Wear property as recorded in Deed book 1982, Page 158, N.  $03^{\circ}10'04''$  E. 291.68', (passing an existing iron rod at 32.38'), to an existing iron rod; on the eastern right of way of Barrow Road; Thence N.  $03^{\circ}10'04''$  E. 359.82' to a point within barrow Road; Thence N.  $07^{\circ}52'04''$  E. 20.00' to a point within Barrow Road, and in the Southern line of the City of High Point property as recorded in Deed Book 4659, Page 1264; Thence with the said City of High Points southern line S.  $84^{\circ}14'44''$  E. 518.53' (passing an existing concrete monument at 41.41'), to an existing concrete monument at said City of High Points south east corner, and at the southwest corner of the Edward L. Williard property as recorded in Deed Book 3295, Page 158; Thence with said Williard's southern line S.  $84^{\circ}15'03''$  E. 2251.70' to an existing concrete monument, the Point and Place of Beginning. Containing 73.181 acres, as surveyed by Triad Land Surveying, P.C., on November 12<sup>th</sup>, 2003.