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ARTICLES OF INCORPORATION
OF
WINDERMERE
CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A 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 nonprofit corporation and hereby certifies:

ARTICLE I

The name of the corporation is **WINDERMERE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.**, hereinafter sometimes called the "Association."

ARTICLE II

The principal and registered office of the Association is located at 222-6 Swing Road, Guilford County, Greensboro, North Carolina, 27409.

ARTICLE III

Ned L. Pierce, whose address is 222-6 Swing Road, Guilford County, Greensboro, North Carolina, 27409, is hereby appointed the initial Registered Agent of this Association.

ARTICLE IV

This 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 administer the operation and management of Windermere Condominium (hereinafter called "the Condominium"), a condominium to be established in accordance with the laws of the State of North Carolina upon the property situate, lying and being in Burlington Township, Burlington, Alamance County, North Carolina, and shown on Schedule "A" attached hereto and incorporated herein by reference or so much thereof as may be brought within the jurisdiction of this Association and any additional property which may hereafter be brought within the jurisdiction of this Association; to undertake the performance of the acts and duties incident to the administration of the operation and management of said Condominium in accordance with the terms, provisions, conditions and authorizations contained in these Articles of Incorporation and which may be contained in the formal Declaration of Condominium (the "Declaration") which will be recorded in the Public Records of Alamance County, North Carolina, at the time said property, and the improvements now or hereafter situate thereon, are submitted to a plan of Condominium ownership; and to own, operate, lease, sell,

trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said Condominium.

ARTICLE V

The Association shall have the following powers:

1. The Association shall have all of the powers and privileges granted to Non-Profit Corporations under the law pursuant to which this corporation is chartered, and all of the powers and privileges which may be granted unto said corporation under any other applicable laws of the State of North Carolina, including the North Carolina Condominium Act.

2. The Association shall have all of the powers reasonably necessary to implement and effectuate the purposes of the Association, including but not limited to the following:

(a) To make and establish reasonable rules and regulations governing the use of Units and Common Elements in the Condominium as said terms may be defined in said Declaration to be recorded.

(b) To levy and collect assessments against Members of the Association to defray the common expenses of the Condominium as may be provided in said Declaration and in the Bylaws of the Association which may be hereafter adopted, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including Units in the Condominium, which may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in said Declaration.

(c) To maintain, repair, replace, operate and manage the Condominium and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvement of the Condominium property, and to make and enter into any and all contracts necessary or desirable to accomplish said purposes.

(d) To contract for the management of the Condominium and to delegate to such contractor all of the powers and duties of the Association except those which may be required by the Declaration to have approval of the Executive Board or Membership of the Association.

(e) To acquire and enter into, now or at any time hereafter, leases and agreements whereby the Association acquires leaseholds, memberships and other possessory or use interests in lands or facilities, whether or not contiguous to the lands of the Condominium, to provide enjoyment, recreation or other use or benefit to the owners of Units.

(f) To enforce the provisions of the Declaration, these Articles of Incorporation, the Bylaws of the Association which may be hereafter adopted, and the

rules and regulations governing the use of the Condominium as the same may be hereafter established.

(g) To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association pursuant to the Declaration aforementioned.

(h) To grant easements, leases, licenses and concessions through, over or with respect to the Common Elements for public utilities or other public purposes consistent with the intended use of the Common Elements by the Condominium and reasonably necessary to the ongoing development and operation of the Condominium, without a vote or the consent of the Unit Owners, upon and subject to such terms and conditions as the Association's Executive Board in its sole discretion deems appropriate; provided, however, no such grant shall unreasonably interfere with or obstruct the Owners' right of ingress to and egress from the Units.

ARTICLE VI

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

1. All Unit Owners 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 Unit, 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 Unit, except that nothing herein contained shall be construed as terminating the Membership of any party who may own two or more Units, or who may own a fee ownership interest in two or more Units, so long as such party shall retain title to or a fee ownership interest in any Unit.

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 Unit. 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.

4. On all matters which the Membership shall be entitled to vote, each Unit shall have a vote equal to its appurtenant undivided interest in the Common Elements as set forth in Exhibit "B" of the Declaration, as amended from time to time. The vote of each Unit may be cast or exercised by the Owner or Owners of each Unit in such manner as may be provided in the Bylaws hereafter adopted by the Association.

ARTICLE VII

The Association shall have perpetual existence.

ARTICLE VIII

The affairs of the Association shall be managed by the President of the Association, assisted by the Vice President, Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, subject to the directions of the Executive Board. The Executive Board, or the President with the approval of the Executive Board, may employ a managing agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the Condominium, and the affairs of the Association, and any such person or entity may be so employed without regard to whether such person or entity is a Member of the Association, an Executive Board member or Officer of the Association, as the case may be.

ARTICLE IX

The number of members of the first Executive Board of the Association shall be three (3). The number of members of succeeding Executive Boards shall be as provided from time to time by the Bylaws of the Association. The members of the Executive Board shall be elected by the Members of the Association at the Annual Meeting of the Association as provided by the Bylaws of the Association, and at least a majority of the Executive Board shall be Members of the Association or shall be authorized representatives, officers, directors, shareholders, members, partners or employees of a corporate, company or partnership Member of the Association.

Notwithstanding anything herein to the contrary, except as otherwise set forth in paragraphs A. and B. below, for a period ending one hundred twenty (120) days after conveyance of seventy-five percent (75%) of the units (including units which may be created pursuant to Special Declarant Rights; i.e., seventy-five percent (75%) of two hundred eight (208) units to Unit Owners other than Pierce Homes of Carolina, Inc., a North Carolina corporation, its successors or assigns ("Declarant") or any other declarant, but in any event no longer than two (2) years after Declarant or any other declarant has ceased to offer Units for sale in the ordinary course of business, two (2) years after the last exercise of any Development Rights set out in Article V of the Declaration, or seven (7) years from the date the Declaration is recorded, whichever occurs first, Declarant shall have the right to designate and select all of the persons who shall serve as members of each Executive Board of the Association.

A. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the units (including units which may be created pursuant to Special Declarant Rights; i.e., twenty-five percent (25%) of two hundred eight (208) units) to Unit Owners other than a declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant.

B. Not later than sixty (60) days after conveyance of fifty percent (50%) of the units (including units which may be created pursuant to Special Declarant Rights; i.e., fifty percent (50%) of two hundred eight (208) units) to Unit Owners other than a declarant, not less than thirty-three percent (33%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant.

Declarant may designate and select the person or persons to serve as a member or members of each said Executive Board in the manner provided in the Bylaws of the Association, and, notwithstanding anything herein contained to the contrary, such person or persons so designated and selected need not be a Unit Owner or a resident of the Condominium.

So long as Declarant retains the right to appoint a majority of the members of the Executive Board of the Association as set forth in Article XXXII of the Declaration and provided loans insured by the Department of Veterans Affairs encumber one or more Units within the Condominium, the prior approval of the Department of Veterans Affairs must be obtained before taking any of the following actions: amendment of these Articles of Incorporation or of the Declaration (excluding amendments by Declarant to exercise any of the Development Rights reserved under Article V of the Declaration); annexation of properties not described in the Declaration; dedication of any Common Elements; merger or consolidation of the Association or of the Condominium; encumbrance of any of the Common Elements; and dissolution of the Association.

ARTICLE X

The Executive Board shall elect a President, Vice-President, Secretary and Treasurer, and as many Assistant Secretaries and Assistant Treasurers as the Executive Board shall determine. The President shall be elected from among the membership of the Executive Board, but no other officer need be an Executive Board member. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice-President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE XI

The names and addresses of the initial Executive Board who, subject to the provisions of these Articles of Incorporation, the Bylaws, and the laws of the State of North Carolina, shall hold office until the first Annual Meeting of the Membership (or until their successors are elected and qualified) are as follows:

<u>Names</u>	<u>Addresses</u>
Ned L. Pierce	222-6 Swing Road Greensboro, NC 27409
Terry Taylor	222-6 Swing Road Greensboro, NC 27409
James Crews	222-6 Swing Road Greensboro, NC 27409

ARTICLE XII

The original Bylaws of the Association shall be adopted by a majority vote of the members of the Executive Board, and thereafter, such Bylaws may be altered or rescinded only in such manner as said Bylaws may provide.

ARTICLE XIII

Every Executive Board member and every Officer of the 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 may be a party, or in which he may become involved, by reason of his being or having been an Executive Board member or Officer of the Association, whether or not he is an Executive Board member or Officer at the time such expenses are incurred, except in such cases wherein the Executive Board member or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Executive Board member or Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Executive Board approves 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 Executive Board member or Officer may be entitled.

ARTICLE XIV

An amendment or amendments to these Articles of Incorporation shall require the assent of the Members entitled to cast seventy-five percent (75%) of the votes of the Membership.

Material amendments to these Articles of Incorporation must be approved by Institutional Lenders (as defined in Article XXXI of the Declaration) as set forth in Paragraph (D), Article XXIX of the Declaration.

No amendment to these Articles of Incorporation which shall abridge, amend or alter the right of Declarant to designate and select members of each Executive Board of the Association, as provided in Article IX hereof, or otherwise alter, amend or modify the rights and privileges granted and reserved in the Declaration, the Bylaws, or hereunder in favor of the Declarant, may be adopted or become effective without the prior written consent of Declarant.

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.

ARTICLE XV

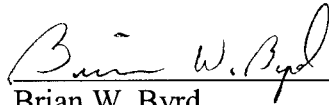
The Association may be dissolved with the consent given in writing and signed by the Members entitled to cast not less than three-fourths (3/4) of the votes of the Membership and with the written consent of the holders of at least two-thirds (2/3rds) of all first mortgage or deed

of trust liens affecting the Units (based on one (1) vote for each first mortgage or deed of trust lien held); provided, however, so long as a declarant retains the right to designate and select a majority of the persons who shall serve as members of each Executive Board of the Association, any dissolution of the Association shall require the consent and joinder of such declarant(s). 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XVI

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

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this 22nd day of November, 2002.

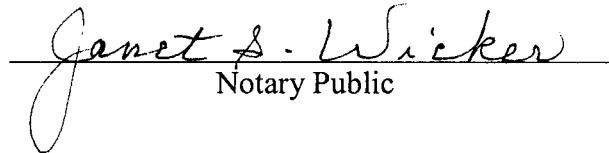
 (SEAL)
Brian W. Byrd
Incorporator

NORTH CAROLINA

RANDOLPH COUNTY

This is to certify that on this 22nd day of November, 2002, before me, Janet S. Wicker, a Notary Public of said County and State, personally appeared BRIAN W. BYRD, who I am satisfied is the person named in and who executed the foregoing Articles of Incorporation of Windermere Condominium Homeowners Association, Inc., and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 22nd day of November, 2002.


Notary Public

My Commission Expires:
9/15/2004

[NOTARY SEAL/STAMP]

JANET S. WICKER
NOTARY PUBLIC
RANDOLPH COUNTY, NC

SCHEDULE "A"

(Multi Family Tract)

BEGINNING at a point, said point being located South 87° 34' 31" East 54.95 feet from an EIP located in the northwestern terminus of Winterbell Drive and said EIP being located in the Northeastern corner of Lot 110, Grand Oaks Subdivision, Phase 2, Section 2, recorded in Plat Book 45 at Page 148, and said beginning point being located North 87° 34' 31" West 5.06 feet from the northeastern terminus of Winterbell Drive and the Northwestern corner of Lot 111, Grand Oaks Subdivision, Phase 2, Section 2, recorded in Plat Book 45 at Page 148; thence North 02° 26' 37" East 268.78 feet to a point; thence North 84° 41' 02" West 23.42 feet to a point; thence North 04° 46' 58" East 936.41 feet to a point; thence North 07° 15' 03" East 265.15 feet to a point, said point being located in the southern line of property now or formerly owned by Peters Enterprises, Inc. as recorded in Deed Book 1246 at Page 997 and Lot 2 of Piedmont Business Center Partnership as recorded in Plat Book 41 at Page 55; thence South 51° 19' 42" East 76.46 feet to an EIP; thence South 47° 42' 23" East 200.05 feet to an EIP pinched top; thence South 49° 17' 13" East 24.76 feet to an EIP; thence South 49° 08' 15" East 251.61 feet to a tall EIP; thence South 51° 50' 47" East 24.35 feet to a NIP; thence South 49° 21' 48" East 191.28 feet to a NIP; thence South 49° 23' 50" East 107.97 feet to an EIP; thence South 54° 21' 45" East 316.64 feet to an EIP located in the center line of a 68 foot Duke Power transmission line right-of-way; thence South 54° 31' 39" East 190.61 feet to a stone, said stone being located on the line of property now or formerly owned by Glenn P. McPherson and Leita I. McPherson as recorded in Deed Book 1013 at Page 149, Deed Book 207 at Page 143, and Deed Book 7 at Page 448; thence with the western line of McPherson South 04° 20' 38" West 647.87 feet to an EIP; thence North 87° 46' 13" West 20.43 feet to an EIP, said EIP being located in the Northeast corner of Lot 132 of Grand Oaks Subdivision, Section 4, Phase 1, as recorded in Plat Book 62 at Page 77; thence North 87° 36' 12" West 216.87 feet to an EIP; thence North 87° 33' 13" West 95.42 feet to an EIP; thence North 87° 35' 39" West 110.00 feet to an EIP; thence North 87° 36' 03" West 110.05 feet to an EIP; and thence North 87° 35' 59" West 109.97 feet to an EIP located in the Northwest corner of Lot 128 of Grand Oaks Subdivision, Section 4, Phase 1, as recorded in Plat Book 62 at Page 77 and said EIP being located in the Northeast terminus of Winston Drive; thence crossing Winston Drive North 87° 36' 22" West 60.06 feet to an EIP located in the Northwest terminus of Winston Drive and said EIP being located in the Northeast corner of Lot 127 of Grand Oaks Subdivision, Section 4, Phase 1, as recorded in Plat Book 62 at Page 77; thence North 87° 35' 08" West 179.30 feet to an EIP; thence North 87° 35' 50" West 220.01 feet to an EIP located in the Northwest corner of Lot 111 of Grand Oaks Subdivision, Phase 2, Section 2, as recorded in Plat Book 45 at Page 148 and said EIP being located in the Northeast terminus of Winterbell Drive; thence North 87° 34' 31" West 5.06 feet to a point, the point and place of BEGINNING, containing 25.557 acres according to a survey for Pierce Homes of Carolina, Inc. prepared by Timmons, denoted as Job #10575-4, and dated 11-14-01.