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Elaine F. Marshall
North Carolina Secretary of State

ARTICLES OF INCORPORATION
OF
COTSWOLD OF PINEHURST HOMEOWNERS ASSOCIATION, INC.
NONPROFIT CORPORATION

The undersigned, being of the age of eighteen 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 Chapter 55A-2-02 of the General Statutes of North Carolina and the laws of the State of North Carolina.

ARTICLE I
NAME

The name of the corporation is **Cotswold of Pinehurst Homeowners Association, Inc.**

ARTICLE II
DURATION

The period of duration of the corporation is perpetual.

ARTICLE III
PURPOSES AND POWERS

The purposes and powers for which the corporation is organized are as follows:

(1) To operate and manage the planned community known as Cotswold of Pinehurst, located in Pinehurst, Moore County, North Carolina.

(2) To undertake the performance of, and carry out the acts and duties incident to the administration of the operation and management of Cotswold of Pinehurst Homeowners Association, Inc. in accordance with the terms, provisions, conditions and authorization contained in both these Articles and in the Declaration of Covenants which shall be recorded in the Public Records of Moore County, North Carolina, at such time as the real property and the improvements thereon are submitted to said Declaration;

(3) To make, establish and enforce reasonable rules and regulations governing the use of the Common Elements, land, and other real and personal property which may be owned by the Association itself;

(4) To make, levy and collect assessments against Owners; to provide the funds to pay for common expenses of the Association as provided in the Declaration and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association; to use said assessments to promote the recreation, acquisition, improvement and maintenance of the Common Elements, services, facilities and other designated areas devoted to this purpose and related to the use and enjoyment of the Common Elements and the Planned Community,

including but not limited to the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management, supervision thereof, the maintenance of insurance in accordance with the Bylaws, including the employment of attorneys to represent the Association when necessary for such other needs as may arise;

(5) To maintain, repair, replace and operate the properties for which the Association is responsible;

(6) To enforce by any legal means, the provisions of the Declaration, the Bylaws of the Association, and the rules and regulations for the use of the Association property;

(7) To contract for the management of any recreational or common element property and to delegate to such manager or managers all powers and duties of the Association except those powers and duties which are specifically required to have approval of the Executive Board or the membership of the Association;

(8) To have all of the common law and statutory powers of a non-profit corporation and also those powers as set out in the Declaration and all powers reasonably necessary to implement the purposes of the Association.

ARTICLE IV MEMBERSHIP

A. The corporation will have members and the membership of the Association shall consist of the owners of Lots in Cotswold of Pinehurst as provided in the Declaration. Membership shall be established by acquisition of fee title to a Lot whether by conveyance, devise, descent, or judicial decree. A new owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior owner as to a unit designated shall be terminated. Each new owner shall deliver to the Association a true copy of such deed or instrument of acquisition of title.

B. Neither one's membership in the Association nor a member's share in the funds and assets of the Association may be assigned, hypothecated or transferred in any manner except as an appurtenance to a Lot.

C. As stated herein, the term "Declarant" shall mean Alimax, LLC, a NC Limited Liability Company, its successors or assigns.

ARTICLE V EXECUTIVE BOARD

A. The number of members of the Executive Board and the method of election of same shall be fixed by the Bylaws; however, the number of Board members shall not be less than three. Board members shall be elected at large from the membership, except during the period of declarant control.

B. Except as provided by N.C. Gen. Stat. Section 55A-2-02(b)(4), no officer of the Corporation or member of the Executive Board shall be personally liable for money damages as a result of any action for breach of his duty as an officer or as a member of the Executive Board, whether by or in the right of the Corporation or otherwise.

C. The provisions of N.C. Gen. Stat. Sec. 55A-9-50 et seq shall fully apply without restriction or limitation as to indemnification of members of the Executive Board and officers, employees or agents of the Corporation.

ARTICLE VI
INITIAL EXECUTIVE BOARD

The number of members constituting the initial Executive Board shall be three and the names and addresses of the persons who are to serve as the first Executive Board are as follows:

	NAME	ADDRESS
1.	Debra S. Brenner	360 Lakewood Dr. Pinehurst, NC 28374
2.	Gary Williamson	114 Linden Pines Pl Pinehurst, NC 28374
3.	Jane Williamson	114 Linden Pines Pl Pinehurst, NC 28374

ARTICLE VII
TAX STATUS

The Corporation shall have all the powers granted non-profit corporations under the laws of the State of North Carolina. Notwithstanding any other provision of these Articles, this Corporation hereby elects tax-exempt status under Section 528 of the Internal Revenue Code of 1986. This Corporation shall not carry on any activities prohibited by a Corporation electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law. It is further provided that no distributions of income of the Corporation are to be made to members, directors or officers of the corporation; provided, however, that members of the Corporation may receive a rebate of any excess dues and assessments previously paid.

ARTICLE VIII
REGISTERED AND PRINCIPAL OFFICE AND AGENT

The street and mailing address of the initial registered and principal office of the corporation in the State of North Carolina is 360 Lakewood Drive, Pinehurst, Moore County, NC 28374; and the name of its initial registered agent at such address is Deborah S. Brenner.

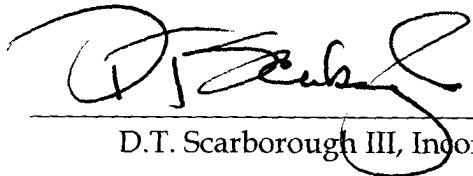
ARTICLE IX
DISTRIBUTION OF ASSETS UPON DISSOLUTION

Upon dissolution of the corporation, the assets thereof shall, after all liabilities and obligations of the corporation have been paid, or adequate provision made therefore, be disposed of as required by the NC Planned Community Act.

ARTICLE X

The name and address of the incorporator is D.T. Scarborough III, PO Box 1669, Pinehurst, NC 28370.

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal this May 23, 2001.


_____(SEAL)
D.T. Scarborough III, Incorporator