

State of North Carolina
Department of the Secretary of State

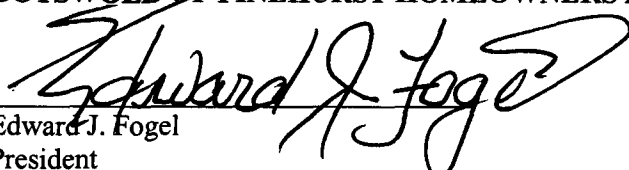
ARTICLES OF MERGER
NONPROFIT CORPORATION

Pursuant to §55A-11-04 of the General Statutes of North Carolina, the undersigned corporation does hereby submit the following Articles of Merger as the surviving corporation in a merger between two domestic nonprofit corporations.

1. The name of the surviving corporation is Cotswold of Pinehurst Homeowners Association, Inc., a corporation organized under the laws of North Carolina; the name of the merged corporation is The Cotswold Townhomes Association, a corporation organized under the laws of North Carolina.
2. Attached is a copy of the Plan of Merger that was duly approved in the manner prescribed by law for each of the corporations participating in the merger.
3. With respect to the surviving corporation, member approval was required for the merger, and the plan of merger was approved by the members as required by Chapter 55A of the North Carolina General Statutes.
4. These articles will be effective upon filing.

This the 26th day of October, 2004.

~~COTSWOLD OF~~ PINEHURST HOMEOWNERS ASSOCIATION, INC.


Edward J. Fogel
President

Cotswold of Pinehurst
Homeowners
Association, Inc.

SEAL
North
Carolina

Notes:

1. Filing fee is \$25. This document and one exact or conformed copy of these articles must be filed with the Secretary of State.
2. Certificate(s) of Merger must be registered pursuant to the requirements of N.C.G.S. Section 47-18.1.

(Revised January 2000)
CORPORATIONS DIVISION

P.O. BOX 29622

(Form N-04)
RALEIGH, NC 27626-062

PLAN OF MERGER

THIS PLAN OF MERGER is made effective as of the 26th day of October, 2004 by **Cotswold of Pinehurst Homeowners Association, Inc.**, a non-profit corporation organized under the laws of the State of North Carolina, (hereinafter the "Surviving Corporation") and **The Cotswold Townhomes Association**, a non-profit corporation organized under the laws of the State of North Carolina, (hereinafter the "Merged Corporation") (hereinafter, collectively, the "Constituent Corporations").

The Constituent Corporations agree, in consideration of the promises and of the mutual agreements hereinafter set forth, to merge, and do hereby plan to merge, upon the terms and conditions hereinafter set forth (hereinafter the "Merger").

1. Approval of Agreement to Merge.

- a. The members of the Cotswold of Pinehurst Homeowners Association, Inc., at a meeting conducted on September 21, 2004, cast seventeen (17) votes in favor of the merger and none opposed to the merger (one (1) vote was not cast).
- b. The members of The Cotswold Townhomes Association, at a meeting conducted on September 21, cast five (5) votes in favor of the merger and none opposed to the merger (one (1) vote was not cast).

2. Name of Merged Corporation. The name of the Surviving Corporation shall be Cotswold of Pinehurst Homeowners Association, Inc.

3. Mode of Effecting Merger. The memberships in the Merged Corporation shall be converted into memberships, without qualifications, in the Surviving Corporation.

4. Terms and Conditions of Merger.

- a. The Merger shall have the effects prescribed by the Nonprofit Corporation Act and this Agreement. The Surviving Corporation shall assume all of the duties, obligations and liabilities of the Merged Corporations including, but not limited to, (i) the enforcement the Amended and Restated Declaration of Covenants, Conditions, Easements, Restrictions, Charges, Liens and Reservations of Cotswold of Pinehurst recorded in Book 2667 at Page 309 of the Moore County Registry of Deeds (hereinafter the "Declaration"), (ii) the establishment and collection of the special and annual assessments required to be paid by members of the Constituent Corporations pursuant to the Declaration, and (iii) exercise of the powers granted to the Surviving Corporation pursuant to the North Carolina Planned Community Act (hereinafter, as set forth in Chapter 47F of the North Carolina General Statutes and as amended and as recodified from time to time and at any time, the "Planned Community Act") and the discharge of the explicit and unambiguous obligations of the Surviving Corporation pursuant to the Planned Community Act.
- b. The portion of the overall common expense liabilities and votes in the Surviving Corporation that are allocated to each of the lots subject to the Declaration shall be equal to the portion of overall common expense liabilities and votes allocated

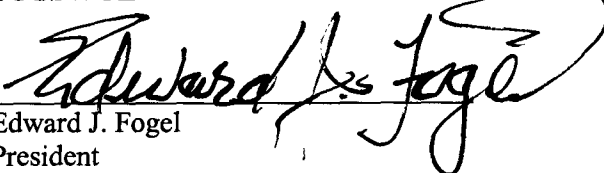
to each of the lots by the applicable declaration of each of the two preexisting planned communities.

- c. The owners of lots subject to the Declaration shall, after the effective date hereof, be afforded full and equal access to all facilities—including, but not limited to, the Common Elements (as defined in the Declaration)—owned by Constituent Corporations on the same terms and conditions. The rights and obligations of all members of the lot owners subject to the Declaration shall, after the effective date hereof, be and remain identical, indistinguishable, and interchangeable.

5. Effective Date of Plan. This Plan of Merger shall become upon filing.

IN WITNESS WHEREOF, the Constituent Corporations have caused their respective names to be signed hereto by the president, thereunto duly authorized by the board of directors and the members of the Merged Corporation and by the board of directors and the members of the Surviving Corporation.

COTSWOLD OF PINEHURST HOMEOWNERS ASSOCIATION, INC.


Edward J. Fogel
President



THE COTSWOLD TOWNHOMES ASSOCIATION


Alexander N. Pelliccio
President

