



NORTH CAROLINA

Department of The Secretary of State

To all whom these presents shall come, Greetings:

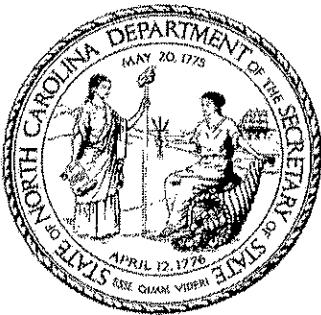
I, **ELAINE F. MARSHALL**, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION

OF

PEPPER RIDGE HOMEOWNERS ASSOCIATION, INC.

the original of which was filed in this office on the 22nd day of March, 2004.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 22nd day of March, 2004

Elaine F. Marshall

Secretary of State

ARTICLES OF INCORPORATION
OF
PEPPER RIDGE
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
ASSOCIATION

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

ARTICLE II
REGISTERED OFFICE

The principal and registered office of the Association is located at 700 Carnegie Place, Greensboro, Guilford County, North Carolina 27409.

ARTICLE III
REGISTERED AGENT

Craig Fleming, whose address is 700 Carnegie Place, Greensboro, Guilford County, North Carolina 27409, 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, directors 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 Association and Lots within the Association, and to promote the health, safety, and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, 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 that certain Declaration of Covenants, Conditions, and Restrictions, hereinafter called the "Declaration," applicable to the property 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;

(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 with the assent of the Owners entitled to cast two-thirds (2/3) of the votes of each class of Members, 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) 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 Owners entitled to cast two-thirds (2/3) of the votes of each class of Members;

(f) 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.

ARTICLE V MEMBERSHIP

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 shall be a voting member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Such membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VI VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A lots shall be all lots except Class B lots as the same are hereinafter defined. Each Class A lot shall entitle the Owner(s) of said lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any lot, all such persons shall be members and the vote appurtenant to said lot shall be exercised as they, among themselves, determine.

Class B. Class B lots shall be all lots owned by Declarant which have not been converted to Class A lots as provided in paragraphs (1) or (2) below. The Declarant shall be entitled to three (3) votes for each Class B lot owned by Declarant. The Class B lots shall cease to exist and shall be converted to Class A lots on the happening of any of the following:

(1) When the total number of votes appurtenant to the Class A lots equals the total number of votes appurtenant to the Class B lots; provided,

that the Class B lots shall be reinstated with all rights, privileges and responsibilities of such Class, if, after conversion of the Class B Lots to Class A lots hereunder, additional land containing lots is annexed to the existing property pursuant to Article II of the Declaration, thus making the Declarant the owner, by virtue of the newly created Lots and of other Lots owned by Declarant, of a sufficient number of Class B Lots to cast a majority of votes (it being hereby stipulated that the conversion and reconversion shall occur automatically as often as the foregoing facts shall occur); or

(2) December 31, 2007; or

(3) when Declarant elects by notice to Association in writing to terminate its Class B membership.

ARTICLE VII BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors who need not be members of the Association. The number of members of the first Board of Directors shall be two (2) and the persons serving shall be:

Craig Fleming
700 Carnegie Place
Greensboro, N.C. 27409

Francis R. Disney
700 Carnegie Place
Greensboro, N.C. 27409

The number of directors on subsequent Boards shall be as set forth in the Bylaws of the Association.

ARTICLE VIII LIMITATION ON LIABILITY

A director of the Association shall not be personally liable for monetary damages for breach of fiduciary duty as a director except to the extent such exemption from liability or limitation thereof is not permitted under the North Carolina General Statutes as the same exist or may hereafter be amended. Any repeal or modification of this article by the shareholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

ARTICLE IX DISSOLUTION

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 voting 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 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 X
DURATION

The corporation shall exist perpetually.

ARTICLE XI
AMENDMENTS

Amendment of these Articles shall require the assent of the Owners of at least two-thirds (2/3) of each class of voting Members.

ARTICLE XII
INCORPORATOR

The name and address of the incorporation is as follows:

<u>Name</u>	<u>Address</u>
Steven H. Bouldin	Post Office Box 2608 High Point, North Carolina 27261

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal this 18th day of March, 2004.



Steven H. Bouldin, Incorporator