

## ARTICLES OF INCORPORATION

OF

### AUTUMN TRACE 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 Autumn Trace Homeowners Association, Inc. hereinafter called the "Association."

#### ARTICLE II

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

#### ARTICLE III

Ned L. Pierce, whose address is 222-6 Swing Road, 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, 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 Alamance 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 Autumn Trace (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 Alamance 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 upon approval of the Members as required by the Declaration, 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 (as defined in the Declaration), Declarant (as defined in the Declaration), 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.

## 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 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 or her 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 Member 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 Autumn Trace 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:

(i) 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 Autumn Trace 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 Autumn Trace 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,

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

Except as otherwise provided above, on all matters which the Membership shall be entitled to vote, the Member(s) owning each Lot shall be entitled to one (1) vote. The vote of each Lot may be cast or exercised by the Owner or Owners of each Lot in such manner as may be provided in the Bylaws hereafter adopted by the Corporation.

## 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 three (3). The number of Executive Board members on subsequent Boards shall be as set forth in the Bylaws of the Association. Following the expiration of the Period of Declarant Control the Executive Board shall consist of seven (7) members if both Townhome Style One and Townhome Style Two areas have been developed or five (5) members if only one has been developed. The Townhome Style One Members and Townhome Style Two Members each shall be entitled to elect two (2) Executive Board members, the Single Family Members shall be entitled to elect two Executive Board members and one (1) "at large" member of the Executive Board shall be elected by a majority vote of all Members of the association. For purposes of electing Executive Board members, Townhome Style One Members, Townhome Style Two Members, and Single Family Members shall vote as separate classes of Members and all Members shall vote on the "at large" member. 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>
Ned L. Pierce	222-6 Swing Road Greensboro, NC 27409
James Crews	222-6 Swing Road Greensboro, NC 27409
Marsha Mears	222-6 Swing Road Greensboro, NC 27409

#### 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 during Declarant's Development Period without Declarant's prior written consent. 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 a non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

#### ARTICLE IX

#### DURATION

The corporation shall exist perpetually.

#### ARTICLE X

#### AMENDMENTS

Amendment of these Articles shall require the affirmative vote of the Members entitled to cast at least seventy-five percent (75%) of the votes of the Association, provided, however, no amendment purporting to revoke or curtail any right herein conferred to Declarant shall be effective unless executed by Declarant.

#### ARTICLE XI

#### 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

**EXHIBIT "A"**TRACT ONE:

BEGINNING at an EIP, said EIP being located in the northeastern corner of Lot 69 and the northwestern corner of Lot 68 of Melfield Woods Subdivision, Section Four, as recorded in Plat Book 19 at Page 73, thence with the eastern line of Lot 71 and 72 of said subdivision North 07° 09' 42" East 328.37 feet to an EIP-Nail; thence North 80° 57' 04" East 702.12 feet to an EIP located in the western corner of property now or formerly owned by Sheila Worth as recorded in Deed Book 1363 at Page 566; thence with a series of 15 lots, individually owned (and most fronting on Freshwater Road) the following six bearing breaks: South 08° 02' 28" West 282.00 feet to an EIP, South 13° 14' 41" West 659.29 feet to an EIP, South 16° 09' 07" West 483.87 feet to an EIP, South 22° 05' 20" West 333.76 feet to an EIP (disturbed), North 38° 12' 13" West 143.10 feet to an EIP (Pinch Top) (disturbed) thence South 26° 07' 15" West 457.73 feet to an EIP located in the southwestern corner of property now or formerly owned by James W. Preyer as recorded in Deed Book 385 at Page 338; thence North 71° 59' 32" West 619.55 feet to an EIP; thence with the western line of property now or formerly owned by Sheila G. Worth as recorded in Deed Book 1104 at Page 120 and Deed Book 38 at Page 447 North 14° 05' 34" West 638.89 feet to an EIP located in the southwestern corner of Lot 51 as shown on Plat Book 19 at Page 46; thence with the southern line of Lot 51 as shown on Plat Book 19 at Page 46 North 75° 52' 32" East 185.02 feet to an EIP in the southeastern corner of Lot 51 as shown on Plat Book 19 at Page 46; thence North 75° 52' 32" East 60.10 feet crossing the southern terminus to Suzanne Drive to an EIP; thence North 75° 52' 32" East 184.78 feet to an EIP in the southeastern corner of Lot 52 as shown on Plat Book 19 at Page 73; thence the following six bearing breaks: North 56° 42' 49" East 226.52 feet to an EIP, along the eastern line of Lot 55 North 29° 00' 16" West 50.00 feet to an EIP, along the southern line of Lot 66 North 59° 05' 24" East 214.63 feet to an EIP, crossing the eastern terminus of Melfield Drive (a 60' right-of-way) North 03° 05' 28" East 90.05 feet to an EIP; thence along the southern line of Lot 67 North 44° 00' 53" East 226.88 feet to an EIP; thence along the northern line of Lot 67 and Lot 68 North 60° 13' 32" West 205.09 feet to an EIP in the northwestern corner of Lot 68 and the northeastern corner of Lot 69, the point and place of BEGINNING, containing 33.011 acres, more or less, according to a Boundary Survey for Pierce Homes of Carolina denoted as Freshwater Road and dated July 12, 2005. Back Reference: Deed Book 393 at Page 822 and being GPIN 9-12-24.

TRACT TWO

BEGINNING at an EIP (disturbed), said EIP being located in the northeastern corner of property now or formerly owned by John C. & Elizabeth C. Woods as recorded in Deed Book 360 at Page 168 and being Lot 1 of Plat Book 41 at Page 76, thence North 56°01'07" East 357.89 feet to an EIP; thence North 56°01'30" East 66.96 feet to an EIP; thence South 47°10'07" East 56.66 feet to an EIP; thence North 83°10'54" East 264.61 feet to a NIP in the western line of property now or formerly owned by Beverly A. Tapp as recorded in Deed Book 675 at Page 936 and the same being Lot 44 as recorded in Plat Book 19 at Page 46; thence with the western line of Lots 44 through a portion of 50 as recorded in Plat Book 19 at Page 46, South 14°43'04" East 599.49 feet to a point, said point being the northeastern corner of property now or formerly owned by Sheila G. Worth as recorded in Deed Book 1104 at Page 120 and Deed Book 38 at Page 447; thence with Worth's northern line South 77°14'04" West 600.92 feet to an EIP, said EIP being the southernmost point of the Woods' property; thence with Woods' eastern line North 24°47'58"

West 531.24 feet to an EIP (disturbed), the point and place of BEGINNING containing 9.083 acres, more or less, according to a Boundary Survey for Pierce Homes of Carolina denoted as Freshwater Road and dated July 12, 2005. Back Reference: Deed Book 416 at Page 555, Alamance County Registry, and being GPIN 9-5-12.

### TRACT THREE

BEGINNING at a point, said point being located in the southwestern corner of property now or formerly owned by Elizabeth J. Worth Heirs as recorded in Deed Book 458 at Page 371, thence with the northern line of property owned by Mary Jane Rogers as recorded in Deed Book 401 at Page 887 and with a creek essentially as it meanders north 42 degrees 57 minutes 54 seconds west 117.08 feet to a point, north 62 degrees 28 minutes 36 seconds west 49.50 feet to a point, north 80 degrees 42 minutes 13 seconds west 105.60 feet to a point, and north 44 degrees 06 minutes 33 seconds west 66.00 feet to a point in the southern line of property now or formerly owned by Sheila G. Worth as recorded in Deed Book 1104 at Page 120 and Deed Book 38 at Page 447; thence with the eastern line of Worth north 12 degrees 16 minutes 51 seconds east 550.75 feet to a point (Deed Ref. Cor. OLD Post Oak), said point being the westernmost point of property now or formerly owned by Linda A. Worth Muriell as recorded in Deed Book 148 at Page 41; thence with Muriell's southern line south 43 degrees 53 minutes 53 seconds east 469.44 feet to a point (said point being located north 43 degrees 53 minutes 53 seconds west 98.61 feet from an axle in the southwestern corner of property now or formerly owned by Ben C. Worth, Jr. and Diane C. Worth as recorded in Deed Book 393 at Page 400); thence with the western line of property now or formerly owned by Edith W. Richmond as recorded in Deed Book 168 at Page 453 and the eastern line of the Worth Heirs property and along a creek essentially as it meanders south 68 degrees 02 minutes 13 seconds west 14.11 feet to a point, south 26 degrees 58 minutes 24 seconds west 45.73 feet to a point, south 41 degrees 22 minutes 28 seconds east 46.03 feet to a point, south 00 degrees 00 minutes 00 seconds east 20.73 feet to a point, south 44 degrees 43 minutes 45 seconds west 100.89 feet to a point, south 05 degrees 12 minutes 31 seconds east 38.61 feet to a point, south 07 degrees 36 minutes 07 seconds west 47.52 feet to a point, south 58 degrees 06 minutes 13 seconds west 56.45 feet to a point, south 10 degrees 57 minutes 52 seconds west 49.57 feet to a point, and south 44 degrees 09 minutes 57 seconds west 49.57 feet to a point in the northern line of Rogers, the point and place of BEGINNING, containing 4.038 acres, more or less, according to a Boundary Survey for Pierce Homes of Carolina denoted as Freshwater Road and dated July 12, 2005. Back Reference: Deed Book 410 at Page 874 and being GPIN 9-12-2.

### TRACT FOUR

BEGINNING at a point in a creek, said point being located North 43° 53' 53" West 98.61 feet from an axle located in the southwestern corner of property now or formerly owned by Ben C. Worth, Jr. and Diane C. Worth, as recorded in Deed Book 393 at Page 400; thence with the northern line of property now or formerly owned by H. W. Richardson & Martha Prear as recorded in Deed Book 410 at Page 874, North 43° 53' 53" West 469.44 feet to a point (Deed Ref. Cor. Old Post Oak); thence South 73° 14' 34" East 240.06 feet to a point; thence South 78° 15' 23" East 394.00 feet to a EIP in the southwestern corner of property now or formerly owned by Jane W. Preyer as recorded in Deed Book 385 at Page 338; thence with Preyer's southern line South 49° 52' 28" East 39.17 feet to a point in a creek, being the northwestern

corner of property now or formerly owned by Linda Worth Muriell as recorded in Deed Book 148 at Page 41, said property fronting on Freshwater Road; thence, essentially as creek meanders, South 19° 41' 37" West 29.58 feet to a point, South 69° 38' 29" West 22.33 feet to a point, South 62° 29' 50" West 47.89 feet to a point, South 77° 09' 26" West 36.75 feet to a point, South 76° 51' 33" West 89.31 feet to a point, South 72° 10' 52" West 110.81 feet to a point, and South 22° 55' 09" West 47.23 feet to a point in the northwestern corner of property now or formerly owned by Edith W. Richmond as recorded in Deed Book 168 at Page 453, the point and place of BEGINNING, containing 1.861 acres, more or less, according to a Boundary Survey for Pierce Homes of Carolina denoted as Freshwater Road and dated July 12, 2005. Back Reference: Deed Book 148 at Page 41, Alamance County Registry, and being GPIN 9-12-5.

#### TRACT FIVE

Tract Five is hereby conveyed and quitclaimed without warranties to the Grantee.

BEGINNING at an EIP, said EIP being located in the southwestern corner of property now or formerly owned by James W. Preyer as recorded in Deed Book 385 at Page 338; thence North 71° 59' 32" West 619.55 feet to an EIP, said EIP being located in the southwestern corner of property now or formerly owned by John W. Winters & Company as recorded in Deed Book 393 at Page 822; thence South 32° 05' 38" West 49.72 feet to a point (Deed Ref. Cor. Old Post Oak); thence South 73° 14' 34" East 240.06 feet to a point; thence South 78° 15' 23" East 394.00 feet to an EIP, the point and place of BEGINNING containing 0.439 acres, more or less, according to a Boundary Survey for Pierce Homes of Carolina denoted as Freshwater Road and dated July 12, 2005.

#### TRACT SIX

BEGINNING at a point, said point being located in the southwestern corner of property now or formerly owned by Elizabeth J. Worth Heirs as recorded in Deed Book 458 at Page 371, thence with the Worth Heirs southern line south 46 degrees 39 minutes 07 seconds east 36.41 feet to an EIP, said EIP being located in the northwestern corner of property now or formerly owned by Dorothy L. Banks as recorded in Deed Book 717 at Page 951; thence with Banks' western line the following three bearing breaks: south 39 degrees 15 minutes 57 seconds west 85.80 feet to a point, south 08 degrees 45 minutes 57 seconds west 270.60 feet to a point, and south 30 degrees 45 minutes 57 seconds west 253.03 feet to a point; thence north 59 degrees 51 minutes 31 seconds west 11.99 feet to an EIP; thence north 59 degrees 51 minutes 31 seconds west 188.91 feet to an EIP; thence north 59 degrees 51 minutes 31 seconds west 48.79 feet to an EIP, the southeastern corner of property now or formerly owned by Martha Worth Prear; thence with Prear's eastern line north 12 degrees 58 minutes 18 seconds east 415.17 feet to an EIP located in the southeastern corner of property now or formerly owned by Sheila G. Worth as recorded in Deed Book 1104 at Page 120 and Deed Book 38 at Page 447; thence with Worth's eastern line north 12 degrees 16 minutes 51 seconds east 224.15 feet to a point in a creek; thence substantially with the meanderings of the creek south 44 degrees 06 minutes 33 seconds east 66.00 feet to a point; south 80 degrees 42 minutes 13 seconds east 105.60 feet to a point; south 62 degrees 28 minutes 36 seconds east 49.50 feet to a point; and south 42 degrees 57 minutes 54 seconds east 117.08 feet to a point in the southwestern corner of property of the Worth Heirs, the point and place of BEGINNING, containing 4.363 acres, more or less, according to a Boundary



Survey for Pierce Homes of Carolina denoted as Freshwater Road and dated July 12, 2005. Back Reference: Deed Book 401 at Page 887 and being GPIN 9-12-1.

TRACT SEVEN

BEGINNING at an EIP located in the northeastern corner of property now or formerly owned by the Selma Foust Heirs as recorded in Deed Book 250 at Page 111 and being Lot 3 as shown on Plat Book 41 at Page 76, thence North  $76^{\circ}28'30''$  East 50.78 feet to an EIP located in the southern most corner of property now or formerly owned by John C. & Elizabeth C. Woods as recorded in Deed Book 360 at Page 168 and being Lot 1 as shown on Plat Book 41 at Page 76; thence North  $77^{\circ}14'04''$  East 600.92 feet to a point in the western line of Lot 50 as shown on Plat Book 19 at Page 46; thence with a part of Lots 50 and 51 as shown on Plat Book 19 at Page 46 South  $14^{\circ}43'04''$  East 128.94 feet to an EIP, said EIP being located in the northwestern corner of property now or formerly owned by John W. Winters & Company as recorded in Deed Book 393 at Page 822; thence with Winters' western line South  $14^{\circ}05'34''$  East 638.89 feet to an EIP, Winters' southwestern corner and the northeastern corner of property now or formerly owned by Sheila G. Worth as recorded in Deed Book 1104 at Page 120 and Deed Book 38 at Page 447; thence with Worths' northern line South  $45^{\circ}45'03''$  West 510.26 feet to an EIP; thence North  $72^{\circ}36'23''$  West 39.94 feet to an EIP in the northeastern corner of property now or formerly owned by Lillian I. Worth Woods as recorded in Deed Book 1001 at Page 182 and as shown on Plat Book 55 at Page 116; thence with Woods' northern line North  $75^{\circ}26'08''$  West 138.95 feet to a NIP; thence North  $16^{\circ}33'03''$  East 380.27 feet to an EIP located in the northeastern corner of property now or formerly owned by Donna G. Holt as recorded in Deed Book 1242 at Page 510; thence North  $13^{\circ}26'55''$  East 263.26 feet to an EIP located in the northeastern corner of property now or formerly owned by Ronald G. Baugus and Linda M. Baugus as recorded in Deed Book 802 at Page 419 and shown on Plat Book 44 at Page 136; thence with Baugus' northern line North  $73^{\circ}44'37''$  West 518.73 feet to a NIP located in the eastern line of the Selma Foust Heir's property; thence with the Foust Heir's eastern line North  $16^{\circ}38'45''$  East 149.37 feet to an EIP, the point and place of BEGINNING, containing 10.307 acres, more or less, according to a Boundary Survey for Pierce Homes of Carolina denoted as Freshwater Road and dated July 12, 2005. Back Reference: Deed Book 38 at Page 447 and Deed Book 1104 at Page 120, Alamance County Registry, and being GPIN 9-5-12A.

TRACT EIGHT

BEGINNING at a NIP, said NIP being located in the northwestern corner of property now or formerly owned by Martha Worth Prear, as recorded in Deed Book 459 at Page 479. thence North  $36^{\circ}09'26''$  East 162.19 feet (through a Witness Tree) to an EIP; thence North  $37^{\circ}21'14''$  East 200.01 feet to an EIP located in the northeastern corner of property now or formerly owned by Lillian I. Worth Woods as recorded in Deed Book 1001 at Page 182 and as shown on Plat Book 55 at Page 116; thence South  $72^{\circ}36'23''$  East 39.94 feet to an EIP; thence North  $45^{\circ}45'03''$  East 510.26 feet to an EIP located in the southwestern corner of property now or formerly owned by John W. Winters & Company as recorded in Deed Book 393 at Page 822; thence South  $32^{\circ}05'38''$  West 49.72 feet to a point (Deed Ref. Cor. Old Post Oak); thence South  $12^{\circ}16'51''$  West 550.75 feet to a point in a creek; thence South  $12^{\circ}16'51''$  West 224.15 feet to an EIP in the northeastern corner of property now or formerly owned by Martha Worth Prear; thence with Prear's line and the line of Prear as recorded in Deed Book 459 at Page 479, North  $68^{\circ}57'13''$  West 460.12 feet to a NIP, the point and place of BEGINNING containing 4.440

acres, more or less, according to a Boundary Survey for Pierce Homes of Carolina denoted as Freshwater Road and dated July 12, 2005. Back Reference: Deed Book 38 at Page 447 and Deed Book 1104 at Page 120, Alamance County Registry, and being GPIN 9-5-19A.

#### TRACT NINE

BEGINNING at an EIP located in the Southern margin of the right-of-way of N.C. HWY 119 and said EIP being located in the northeastern corner of property now or formerly owned by Lynwood J. Wheeley & N/F Loretta S. Wheeley as recorded in Deed Book 1068 at Page 930 and as recorded in Plat Book 56 at Page 47, thence continuing with the southern margin of the right-of-way on N.C. HWY 119 North 39°41'42" East 156.15 feet to an EIP located in the northwestern corner of property now or formerly owned by Robert A. & Carla H. Drozdowski as recorded in Deed Book 1211 at Page 340; thence with the lines of Drozdowski the following three bearing breaks: South 46°50'07" East 464.00 feet to a NIP, North 39°44'54" East 148.85 feet to a NIP, and North 45°32'48" West 464.30 feet to an EIP located in Drozdowski's northeastern corner and located in the southern margin of the right-of-way of N.C. HWY 119; thence with the southern margin of the right-of-way of N.C. HWY 119 North 39°40'13" East 139.49 feet to an EIP and North 39°39'50" East 99.94 feet to an EIP located in the northwestern corner of property now or formerly owned by Daniel J. & Stacey M. Shepard as recorded in Deed Book 1563 at Page 379; thence with the lines of Shepard the following three bearing breaks: South 45°29'21" East 275.00 feet to a NIP, North 39°50'39" East 200.00 feet to a NIP, and North 45°31'46" West 274.98 feet to an EIP located in Shepard's northeastern corner and located in the southern margin of the right-of-way of N.C. HWY 119; thence with the southern margin of the right-of-way of N.C. HWY 119 the following three bearing breaks: North 39°39'38" East 100.24 feet to an EIP, North 39°47'33" East 99.98 feet to an EIP and North 39°49'07" East 100.09 feet to an EIP, said EIP being located in the northwestern corner of property now or formerly owned by Elizabeth Lynch as recorded in Deed Book 156 at Page 480; thence with Lynch's western line South 45°33'11" East 275.11 feet to a NIP located in the northern line of property now or formerly owned by Nancy G. Chambers (a life estate) as recorded in Deed Book 1407 at Page 799; thence with Chambers' lines the following three bearing breaks: South 39°51'00" West 100.16 feet to a NIP, South 45°41'08" East 196.41 feet to an EIP, and North 39°47'58" East 99.99 feet to an EIP located in the northwestern corner of property now of formerly owned by David I. Smith & John K. Patterson as recorded in Deed Book 411 at Page 686; thence with the lines of Patterson and Smith the following four bearing breaks: South 44°47'22" East 219.02 feet to an EIP, North 61°02'39" East 439.72 feet to an EIP, South 06°40'11" East 336.80 feet to an EIP, and North 86°59'51" East 600.00 feet to a NIP; thence South 10°11'20" East 615.24 feet to an EIP and South 14°20'20" East 84.25 feet to a NIP, said NIP being located in the northeastern corner of property now or formerly owned by Edith W. Richmond as recorded in Deed Book 94 at Page 124; thence with Richmond's northern line the following four bearing breaks: South 83°10'54" West 264.61 feet to an EIP, North 47°10'07" West 56.66 feet to an EIP, South 56°01'30" West 66.96 feet to an EIP, and South 56°01'07" West 357.89 feet to an EIP (disturbed) located in the northwestern corner of Richmond and the northeastern of corner of property now or formerly owned by John C. & Elizabeth C. Woods as recorded in Deed Book 360 at Page 168 and as shown on Plat Book 41 at Page 76; thence South 50°41'08" West 495.09 feet to an EIP; thence South 48°41'34" West 165.00 feet to an EIP; thence South 41°32'06" West 338.27 feet to an EIP located in the northern line of property now or formerly owned by Roxie R. Jeffries as recorded in Deed Book 1431 at

Page 216; thence South  $48^{\circ}44'57''$  West 183.35 feet to an EIP located in the eastern margin of the right-of-way of Clifford Ray Road; thence with eastern margin of the right-of-way of Clifford Ray Road the following four bearing breaks: North  $25^{\circ}31'47''$  West 206.05 feet to a CP, North  $27^{\circ}21'21''$  West 102.12 feet to a CP, North  $31^{\circ}28'21''$  West 91.66 feet to a CP, and North  $34^{\circ}42'43''$  West 842.98 feet to an EIP located in the southwestern corner of property now or formerly owned by Lynwood J. Wheeley as recorded in Deed Book 1084 at Page 930 and as shown on Plat Book 56 at Page 47; thence leaving the eastern margin of the right-of-way of Clifford Ray Road and with the lines of Wheeley the following three bearing breaks: North  $55^{\circ}51'09''$  East 246.38 feet to an EIP, North  $48^{\circ}38'44''$  West 208.98 feet to a NIP, and North  $48^{\circ}43'59''$  West 234.59 feet to an EIP located in the southern margin of the right-of-way of N.C. HWY 119, the point and place of BEGINNING, containing 58.619 acres according to a Boundary Survey for Pierce Homes of Carolina prepared by Borum, Wade and Associates, P.A. and dated 8-4-04, and being the same, and all, of the property conveyed to Nova Construction, Inc. by deed recorded in Book 1959, Page 509, Alamance County Registry, and shown on Plat recorded in Plat Book 68, Page 96, Alamance County Registry.

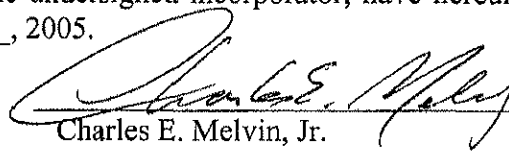
connection with or resulting from any action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been a member of the Executive Board or officer of the Association or any subsidiary or affiliate thereof, except in relation to such matters as to which he 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 XII

INCORPORATOR

The name and address of the incorporator is as follows: Charles E. Melvin, Jr., 300 North Greene Street, Suite 1400, Greensboro, North Carolina 27401.

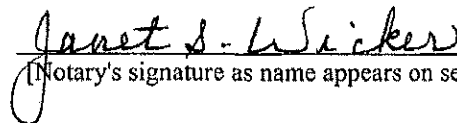
IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this 6th day of April, 2005.

 (SEAL)  
Charles E. Melvin, Jr.  
Incorporator

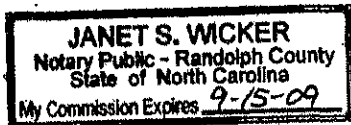
Guilford County, North Carolina

I certify that the following person personally appeared before me this day, acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Charles E. Melvin, Jr.

Today's Date: April 6, 2006

  
[Notary's signature as name appears on seal]

JANET S. WICKER  
[Notary's printed name as name appears on seal]



My commission expires: September 15, 2009

[Affix Notary Seal in Space Above]