

**ARTICLES OF INCORPORATION  
OF  
PINE VALLEY HOA ASSOCIATION, INC.**

In compliance with the requirements of the laws of the State of North Carolina, the undersigned, a resident of Wake County, North Carolina, and of full age, does this day form a corporation not for profit and does hereby certify:

**Article I  
NAME**

The name of the corporation is Pine Valley HOA Association, Inc., hereinafter called the "Association."

**Article II  
PRINCIPAL AND REGISTERED OFFICE**

The principal and initial registered office of the Association is located at: 201 Shannon Oaks Circle, Suite 120, Cary, Wake County, North Carolina 27511

**Article III  
REGISTERED AGENT**

TLC Management of Raleigh, Inc. is hereby appointed the initial registered agent of the Association.

**Article IV  
PURPOSE AND POWERS OF ASSOCIATION**

The Association is a non-stock corporation and no part of the profits, if any, of the Association shall inure to the pecuniary benefit of its members or to any other person; and the specific purposes for which it is formed are to provide for maintenance and preservation of the Common Areas, as same are defined in the Declaration, hereafter referred to, and to provide architectural control of the residential Lots, improvements thereto, Common Areas and any other properties which may be subsequently acquired by the Association, and to promote the health, safety and welfare of the residents within the Pine Valley Subdivision, as same is shown on plats recorded in Granville County, North Carolina (the "Development"). The Association shall have the following general powers and any other power impliedly arising therefrom, to be exercised in the manner provided and in conformity with applicable laws, the Declaration hereinafter referred to, the Bylaws of the Association, and these Articles:

- (1) To 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 real property comprising the Development and recorded or to be recorded in the Office of the Register of Deeds of Granville 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;
- (2) To fix, levy, collect, and enforce payments by any lawful means, of all charges or

assessments pursuant to 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, subject always to the provisions and requirements of the Declaration;

- (3) To 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, subject always to the provisions and requirements of the Declaration and limitations imposed by law;
- (4) To borrow money, and in aid thereof to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property unless prohibited by law, as security for money borrowed or debts incurred, subject always to the provisions and requirements of the Declaration, and provided that the rights of any such mortgagee in said properties shall be subordinate to the rights of members herein; and
- (5) To 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**

Gary Felton Land Investment Company, Inc., a North Carolina Limited Liability Company, its successors and assigns (the "Declarant") for so long as it shall be record owner of a fee simple title to any Lot within the Subdivision as shown on a recorded plat thereof, and every person or entity who 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, including contract sellers, shall be a 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. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

#### **Article VI VOTING RIGHTS AND ASSESSMENTS**

This Association is a non-stock corporation. The authorized number and qualification of members of this corporation, the different classes of membership, if any, the property, voting rights and privileges of members, the liability of members for assessments, and the method of collection thereof shall be as set forth in the Declaration referenced in Article IV hereof and in bylaws to be adopted by the directors of this corporation. Every person who is a record owner of any lot is entitled to membership and voting rights in the Association, as more particularly set forth in the bylaws and Declaration. Membership is appurtenant to, and may not be separated from ownership of a lot.

#### **Article VII BOARD OF DIRECTORS**

The affairs of the Association shall be managed by a Board of not less than three (3) nor

more than nine (9) Directors, who need not be members of the Association, except as otherwise provided in N.C.G.S. Section 47F-3-103(e), as amended. The number of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of Directors, until the selection and qualification of their successors, are:

NAME	ADDRESS
Gary Felton	P. O. Box 10809 Raleigh, NC 27605
Steve Smalto	201 Shannon Oaks Circle, Suite 120 Cary, Granville County, North Carolina 27511
Bryan Cope	201 Shannon Oaks Circle, Suite 120 Cary, Granville County, North Carolina 27511

The directors named above, and their successors, will serve until their successors are elected at an annual meeting or a special meeting called for the purpose of electing directors. The directors shall have the right to elect a successor director to serve the balance of the term of any director who resigns, dies or is removed from office by the Members.

To the fullest extent permitted by the North Carolina Non-Profit Corporation Act as it exists or may hereafter be amended, no person who is serving or who has served as a Director of the Association shall be personally liable to the Association or any of its members for monetary damages for breach of duty as a Director, except for acts or omissions with respect to which the North Carolina Non-Profit Corporation Act or the common law of North Carolina does not permit the limitation of liability.

#### **Article VIII DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by lot owners to whom at least eighty percent (80%) of the votes in the Association are allocated. Upon dissolution of the Association, a dedication of the Common Areas as they then exist for public use for purposes as similar to those to which they were required to be devoted by the Association, shall be offered to the appropriate unit of local government and the areas thus dedicated shall be conveyed to the local governmental unit. In the event that the local governmental unit refuses to accept such dedication and conveyance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association. This corporation shall have no capital stock. In the event of dissolution, no member, Director, or officer of the Corporation or any private individual shall be entitled to share in the distribution of the assets of this Corporation.

**Article IX  
DURATION**

The Corporation shall exist perpetually.

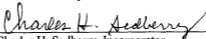
**Article X  
AMENDMENTS**

Except as herein provided, any amendment of these Articles shall require the affirmative vote or written agreement signed by Lot owners to which at least 67% of the votes in the Association are allocated.

**Article XI  
INCORPORATOR**

The name and address of the incorporator is Charles H. Sedberry, 4006 Barrett Dr., Raleigh, NC 27609.

**IN WITNESS WHEREOF**, for the purpose of forming this Corporation under the laws of the State of North Carolina, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this 10<sup>th</sup> day of January, 2006.

  
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Charles H. Sedberry, Incorporator

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