

PREPARED BY & RETURNED TO:
MERRIMAN, NICHOLLS, CRAMPTON,
DOMBALIS & ALDRIDGE, P. A.

BOOK 3712 PAGE 473

ARTICLES OF INCORPORATION

OF

SPRING PINES HOMEOWNERS ASSOCIATION

DOCUMENT #380270
DATE 05/01/86 TIME 13:5
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SECRETARY OF STATE
NORTH CAROLINA

In compliance with the requirements of Chapter 55A, North Carolina General Statutes, the undersigned, all of whom are residents of North Carolina and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not-for-profit and do hereby certify:

ARTICLE I

The name of the corporation is Spring Pines Homeowners Association, hereafter called the "Association".

ARTICLE II

The principal office of the Association is located at 100 St. Albans Drive, P. O. Box 18237, Raleigh, North Carolina 27609.

ARTICLE III

F. Timothy Nicholls, whose address is 100 Saint Albans Drive, Raleigh, Wake County, North Carolina 27609, is hereby appointed the initial registered agent, and the address of the registered office of the Association shall also be 100 Saint Albans Drive, Raleigh, Wake County, North Carolina 27609.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential Lots and Common Areas within that certain tract of real property described as:

All of that certain parcel of land shown on that plat entitled "PHASE ONE, SPRING PINES", which appears of record in Book of Maps 1986, Page 215, Wake County Registry, and all additions thereto.

and to promote the health, safety and welfare of the residents

within the above-described property and any addition thereto as may hereafter be brought within the jurisdiction of this Association 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, Wake 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 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 but only to the extent the same is not inconsistent with the laws of the State of North Carolina and the City of Raleigh.

(d) borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; provided, however, that no such borrowing, mortgage, pledge, deed in trust or hypothecation shall be effected unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any, has been recorded, agreeing to such transaction and unless written notice of the proposed action is sent to every Member not less than 30 days nor more than 60 days in advance.

(e) dedicate, sell or transfer all or any part of the assets of the Association to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless authorized, in writing, by two-thirds (2/3) of the vote of each class of Membership at a meeting, notice of which is sent to every Member not less than 30 days nor more than 60 days in advance.

(f) participate in mergers and consolidations with

other nonprofit corporations organized for the same purposes or annex additional residential property, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members; and,

(g) 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 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 which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

Section 1. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those owners, as defined in Article V, with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each lot in which they hold the interest required for membership by Article V. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot and fractional voting shall not be permitted.

Class B. The Class B member shall be the Declarant, Eastman - Strickland Developers, a North Carolina general partnership. The Class B member shall be entitled to three (3) votes for each lot in which it holds the interest required for membership by Article V, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

(a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if

thereafter and before the time stated in Subparagraph (b) below, such additional lands are annexed to the Properties without the assent of Class A members on account of the development of such additional lands by the Declarant, all as provided for in the Declaration of Covenants, Conditions and Restrictions For Spring Pines Subdivision, or

(b) On December 31, 1992.

Section 2. The right of any Member to vote may be suspended by the Board of Directors for just cause pursuant to its rules.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of five (5) Directors, who need not be members of the Association; provided, there shall be only two (2) Directors until the first annual meeting of the members as provided by the By-Laws. The number of Directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Stephen B. Eastman	7700 Six Forks Road Raleigh, N. C. 27609
Cary M. Strickland	7700 Six Forks Road Raleigh, N. C. 27609
TIM NICHOLLS	100 ST. A (ORNS DR., RALEIGH NC 27609

At the first annual meeting the members shall elect two (2) of the directors for a term of one (1) year and three (3) directors for a term of two (2) years; and at each annual meeting thereafter the members shall elect directors for a term of two (2) years.

ARTICLE VIII

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 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 nonprofit 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 assent of seventy-five percent (75%) of the entire membership. Notwithstanding the foregoing, no amendment for which prior approval of the City of Raleigh, Federal Housing Administration or Veterans Administration is required, shall be effective until such approval has been received.

ARTICLE XI

PRIOR APPROVAL

Notwithstanding anything herein to the contrary, so long as the Declarant controls the Association, the following actions require the prior approval of the Veterans Administration and/or Federal Housing Administration: annexation of additional properties; mergers and consolidations; mortgaging of Common Area; dedication of Common Area; dissolution; and, amendment of these Articles of Incorporation.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned have executed these Articles of Incorporation this 30th day of April, 1986.

INCORPORATOR: F. Timothy Nicholls (SEAL)
F. Timothy Nicholls, 100 St. Albans Dr., Raleigh, NC 27609
INCORPORATOR: Stephen B. Eastman (SEAL)
Stephen B. Eastman, 7700 G FORKS ROAD
Raleigh NC 27609

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, a Notary Public of the County and State aforesaid, certify that Stephen B. Eastman and F. Timothy Nicholls, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 30th day of April, 1986.

Margaret Anne King
Notary Public

My Commission Expires:

10/17/93