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ARTICLES OF INCORPORATION  
OF

Oct 28 9 36 AM '81

THE FAIRWAY'S TOWNHOMES ASSOCIATION  
A NON-PROFIT CORPORATION

THAD EURE  
SECRETARY OF STATE  
NORTH CAROLINA

The undersigned natural person of the age of eighteen (18) years or more hereby forms a non-profit corporation under the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, entitled "Non-Profit Corporation Act", and the several amendments thereto, and to that end does hereby set forth:

ARTICLE I

NAME

The name of the Corporation is THE FAIRWAY'S TOWNHOMES ASSOCIATION (hereinafter referred to as the "Association").

ARTICLE II

DURATION

The period of duration of the Association shall be perpetual.

ARTICLE III

PURPOSES AND POWERS

The Association does not contemplate a pecuniary gain or profit to its members, and the purposes for which the Association is organized are:

(a) To manage, maintain, operate, care for and administer residential Lots and Common Area within The Fairway's Townhomes, an attached single-family development to be established in accordance with the laws of North Carolina upon certain real property in the Village of Pinehurst, Moore County, North Carolina, by means of a Declaration of Covenants, Conditions and Restrictions for The Fairway's Townhomes (the "Declaration") which will be recorded in the Moore County, North Carolina, Public Registry.

(b) To undertake the performance of the acts and duties incident to the administration of the operation and management of The Fairway's Townhomes in accordance with the terms, provisions, conditions and authorization contained in these Articles of Incorporation, the Bylaws of the Association and the Declaration and to do any and all other lawful things and acts that the Association from time to time, in its discretion, may deem to be for the benefit of the members of the Association; and

(c) To exercise all powers provided in Chapter 55A of the General Statutes of North Carolina in furtherance of the above-stated purposes.

#### ARTICLE IV

##### FINANCE

The Association is not organized for pecuniary profit, nor shall it have any power to issue certificates of stock or pay dividends, and no part of the net earnings or assets of the Association shall be distributed, upon dissolution or otherwise, to any member, director or officer of the Association.

#### ARTICLE V

##### MEMBERSHIP AND VOTING RIGHTS

(a) Each 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 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.

(b) There shall be two classes of members in the Association as provided for in the Declaration.

(c) The members of the Association shall have the right to vote for the election and removal of directors and upon such other matters with respect to which the right to vote is given to members under the Declaration or under the provisions of Chapter 55A of the General Statutes of North Carolina, the voting rights of the members being more particularly described in the Declaration and the Bylaws attached thereto.

#### ARTICLE VI

##### REGISTERED OFFICE AND INITIAL AGENT

The address of the initial registered office of the Association is General Office, Chinquapin Road, Pinehurst, Moore County, North Carolina 28374 and the initial registered agent of the Association at such address is J. J. Slade.

#### ARTICLE VII

##### BOARD OF DIRECTORS

The business and conduct of the Association shall be regulated by a Board of Directors who need not be members of the Association and who shall be elected in the manner and for the

terms provided in the Bylaws. The number of directors constituting the initial Board of Directors shall be three; and the names and addresses of the persons who are to serve as the initial directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
J. J. Slade	Highway #5, Bealah Hill Road Pinehurst, N. C. 28374
John Karscig, Jr.	Highway #5, Bealah Hill Road Pinehurst, N. C. 28374
Fred M. Hobbs	McCaskill Road Pinehurst, N. C. 28374

#### ARTICLE VIII

##### INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every officer and every director of this Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with any proceeding to which he is a party, or in which he may become involved, by reason of his being or having been an officer or director of this Association, whether or not he is an officer or director at the time such expenses are incurred, except in such cases wherein the officers or directors are judged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, in the event of any claim for reimbursement or indemnification hereunder based upon the settlement by the officer or director seeking such reimbursement or indemnification, indemnification herein shall only apply if the Board of Directors approve such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

#### 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 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 X

AMENDMENTS

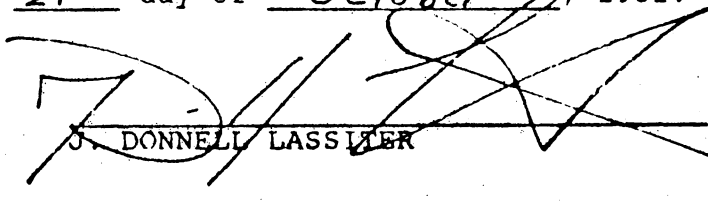
Any amendment or amendments to these Articles of Incorporation shall require the assent of the members to at least two-thirds (2/3) of the vote of each class of members.

ARTICLE XI

INCORPORATOR

The name and address of the incorporator is as follows:  
J. Donnell Lassiter, 3300 NCNB Plaza, Charlotte, North Carolina 28280.

IN TESTIMONY WHEREOF, the undersigned has set his hand and affixed his seal, this the 21<sup>st</sup> day of October, 1981.

  
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J. DONNELL LASSITER [SEAL]

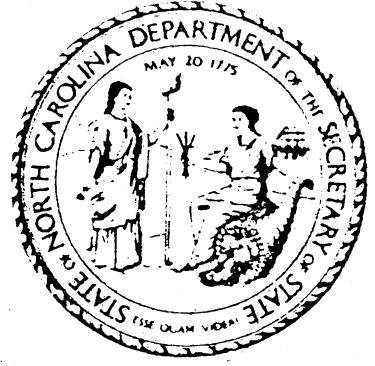
STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

I, Trudy Gagner, a Notary Public in and for said County and State, do hereby certify that J. DONNELL LASSITER personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 21<sup>st</sup> day of October, 1981.

Trudy Gagner  
NOTARY PUBLIC

My Commission Expires:  
Jan 15, 1985



# State of North Carolina

### NOTICE

The issuance of a corporate charter to any domestic corporation or a certificate of authority to any foreign corporation does not authorize the use in this State of the corporate name in violation of the rights of any third party under the Federal Trademark Act, the Trademark Act of this State, a trade name or the common law; and the issuance of such charter or certificate will not be a defense to an action for violation of any such rights.

Certified Copy  
from  
The Department of The  
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to be Recorded  
with the  
Register of Deeds  
of County of  
Registered Office