

ARTICLES OF INCORPORATION  
OF  
GRACE RIDGE HOMEOWNERS ASSOCIATION, INC.

Pursuant to §55A-2-02 of the General Statutes of North Carolina, the undersigned hereby submits these Articles of Incorporation for the purpose of forming a nonprofit corporation under the laws of the State of North Carolina.

1. The name of the corporation is Grace Ridge Homeowners Association, Inc.
2. The corporation will have members with such designations, rights, powers, and privileges as provided in the by-laws.
3. The address of the initial registered office and principal office of the corporation in the State of North Carolina and County of Rowan is 2815 Grace Church Road, Salisbury, NC 28147; and the name of the initial registered agent at such address is Gregory Jones.
4. The corporation shall have all the powers granted non-profit corporations under the laws of the State of North Carolina. Notwithstanding any other provision of these Articles of Incorporation, the corporation hereby elects tax-exempt status under Section 528 of the Internal Revenue Code of 1986. The corporation shall not carry on any activities prohibited by a corporation electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law or of any analogous law of the State of North Carolina. No part of the net earnings of the corporation shall inure to the benefit of its members, directors, officers, or other persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes of the corporation.
5. Upon dissolution of the corporation, the assets thereof shall, after all liabilities and obligations of the corporation have been paid, or adequate provision made therefore, be dedicated to an appropriate public agency to be used for purposes similar to those for which the corporation was created or, in the event that such dedication is refused acceptance, distributed to any association or associations organized for purposes similar to those set forth in paragraph 8 hereof, all in accordance with any further provisions of the by-laws of the corporation.
6. The name and address of the incorporator are: Lucinda L. Fraley, PO Box 198, Salisbury, NC 28145-0198.
7. The purposes for which the corporation is organized are:

- (a) To perform all obligations and duties of the corporation and to exercise all rights and powers of the corporation as set forth in the Restriction Agreements for Grace Ridge recorded in the office of the Register of Deeds for Rowan County, North Carolina as set forth below (the "Restriction Agreements") as the Restriction Agreements shall be amended from time to time:

Book 778	Page 833
Book 805	Page 861
Book 846	Page 538
Book 874	Page 742
Book 883	Page 505
Book 883	Page 506
Book 895	Page 180
Book 901	Page 158

- (b) To provide an entity for the furtherance of the interests of the owners of property in the subdivision known as "Grace Ridge" as shown on the plats set forth below recorded in the office of the Register of Deeds for Rowan County, North Carolina, as amended from time to time, and for any other property which becomes subject to the rules and regulations of the corporation (the "Property"):

Map Book 9995	Page 2864
Map Book 9995	Page 3187
Map Book 9995	Page 3188
Map Book 9995	Page 3437
Map Book 9995	Page 3565
Map Book 9995	Page 3720
Map Book 9995	Page 3828
Map Book 9995	Page 3878
Map Book 9995	Page 3879
Map Book 9995	Page 4035
Map Book 9995	Page 4036

8. In furtherance of its purposes, the corporation shall have the following powers, which, unless indicated otherwise by the Restriction Agreement or by-laws of the corporation, may be exercised by the Board of Directors:

- (a) All of the powers conferred upon nonprofit corporations by common law and the statutes of the State of North Carolina in effect from time to time;
- (b) All of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the by-laws, and the Restriction Agreement, including, without limitation, the following:

- (i) To fix, levy, collect and enforce payment of all charges or assessments authorized by the Restriction Agreement by any lawful means; to pay all expenses in connection therewith and all administration and other expenses incident to the conduct of the business of the corporation including all licenses, taxes or governmental charges levied or imposed against the property of the corporation;
- (ii) To manage, control, operate, maintain, repair, and improve the common areas and facilities, and any property subsequently acquired by the corporation, or any property owned by another for which the corporation, by rule, regulation, declaration, or contract, has a right or duty to provide such services;
- (iii) To enforce covenants, conditions, or restrictions affecting any property to the extent the corporation may be authorized to do so under the Restriction Agreement;
- (iv) To engage in activities which will actively foster, promote, and advance the common interests of all owners of property subject to the Restriction Agreement;
- (v) To buy or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the corporation;
- (vi) To borrow money for any purpose subject to such limitations as may be contained in the by-laws;
- (vii) To enter into, make, perform, and enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the corporation, with or in association with any other corporation, or other entity or agency, public or private;
- (viii) To act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;
- (ix) To adopt, alter, and amend or repeal such by-laws as may be necessary or desirable for the proper management of the affairs of the

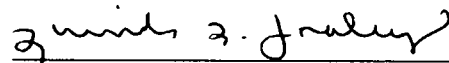
corporation; provided, however, such by-laws may not be inconsistent with or contrary to any provisions of the Restriction Agreement; and

- (x) To provide any and all supplemental municipal services to the Property as may be necessary or desirable.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this paragraph 9 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this paragraph 9.

- 9. To the fullest extent permitted by the North Carolina Nonprofit Corporation Act as it exists or may hereafter be amended, no person who is serving or who has served as a director of the corporation shall be personally liable to the corporation or any of its members for monetary damages for breach of any duty as a director. No amendment or repeal of this article, nor the adoption of any provision to these Articles of Incorporation inconsistent with the article, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to such amendment, repeal, or adoption.

This the 6<sup>th</sup> day of December, 2004.



Lucinda L. Fraley, Incorporator