

NOV 17 1993

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

93 307 555

EFFECTIVE
ARTICLES OF INCORPORATION
OF SUNSET HILLS PROPERTY OWNERS
ASSOCIATION, INC. NORTH CAROLINA

I, the undersigned, being a person of full age, do make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of Chapter 55A of the General Statutes of the State of North Carolina.

ARTICLE I: The name of the Corporation shall be SUNSET HILLS PROPERTY OWNERS ASSOCIATION, INC., hereinafter referred to as "The Association".

ARTICLE II: The period of duration of the Association shall be perpetual.

ARTICLE III: The purposes for which the Association is organized are as follows:

- (1) To adopt and amend corporate Bylaws.
- (2) To adopt and amend budgets for revenues, expenditures and reserves, and collect assessments for common expenses from owners/members.
- (3) To hire and terminate agents and independent contractors to carry out the purposes of The Association.
- (4) To institute, defend or intervene in its own name in litigation or administrative proceedings on matters affecting the subdivision.
- (5) To make contracts and incur liabilities.
- (6) To regulate the use, maintenance, repair, replacement and modification of subdivision streets, water wells and common areas.
- (7) To acquire, hold encumber and convey in its own name any right, title or interest to real property designated as common areas, if any. The Association shall not acquire or hold any other interest in real or personal property unless it is approved pursuant to corporate Bylaw provisions.
- (8) To grant easements, licenses and concessions through or over those interests acquired pursuant to number (7) above.
- (9) To impose charges for the late payment of assessments and after notice and an opportunity to be heard, levy reasonable fines for violations of the Association Bylaws.

(10) To provide for the indemnification of and maintain liability insurance for its officers and Board of Directors.

(11) To provide for the common interest of the Sunset Hills Community insuring the integrity of the subdivision. The Association shall have the power to enforce protective covenants in an equitable and consistent manner.

(12) To exercise all other powers that may be exercised in this state by legal entities of the same type as "The Association".

ARTICLE IV: The Association shall have the following powers:

(a) The Association shall have all of the powers and privileges granted to non-profit corporations under Chapter 55A of the General Statutes of North Carolina, together with all other powers and privileges which may be granted unto The Association under any other applicable laws of the State of North Carolina.

(b) The Association shall have all the powers reasonably necessary to implement and effectuate the purposes of The Association, including, but not limited to, the following:

(1) To make and establish reasonable rules and regulations governing the use of road right of way and water wells in Sunset Hills Subdivision,

(2) To exercise such powers as are set forth in the restrictive covenants on the various Sunset Hills parcels of land.

ARTICLE V: There shall be but one class of membership in the Association and the membership shall consist of the owners of each parcel of land. Voting rights pursuant to such membership shall be as set forth in duly adopted Bylaws of the corporation.

ARTICLE VI: The affairs of The Association shall be managed by the Board of Directors and the number of members of the initial Board of Directors shall be three (3). The number of members of succeeding Board of Directors shall be as provided from time to time by the Bylaws of The Association. Members of the Board of Directors shall be elected by the members of The Association at the annual meeting of the membership as provided in the Bylaws of the Association, and said members shall be members of the Association.

The names and addresses of the initial Board of Directors who, subject to the provisions of these Articles of Incorporation, the Bylaws of The Association, and the laws of the State of North Carolina, shall hold office until their successors are elected and qualified are as follows:

1. Pat Jackson
19 Pleasant Run
Asheville, N. C. 28806

3. Derrick Jackson
19 Pleasant Run
Asheville, N. C. 28806

2. Ronnie Bailey
16 Twin Ridge Drive
Weaverville, N. C. 28787

ARTICLE VII: Every Director and every Officer of The 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 may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of The Association, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officers seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors approves such settlement and reimbursement as being in the best interest 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 VIII: The original Bylaws of The Association shall be adopted by a 2/3 vote of the members of The Association present at a meeting of the Directors at which a majority of the Board is present, and thereafter, such Bylaws may be altered or rescinded only in such manner as said Bylaws may provide.

ARTICLE IX: An amendment or amendments to these Articles of Incorporation shall require the assent of 2/3 of the total number of votes eligible to be cast.

ARTICLE X: It is not contemplated that any member of The Association will receive pecuniary gain or profit and no part of The Association's net income shall inure to the benefit of any of its officers, Directors or members or any other private individual except as incident to the purposes set forth in these bylaws. Upon dissolution of The Association, the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provision made therefore, be distributed to any association or associations organized for purposes similar to those set forth in these Articles and as more particularly provided in the Bylaws.

ARTICLE XI: The name and address of the incorporator is as follows:

Pat Jackson
19 Pleasant Run
Asheville, N. C. 28806

ARTICLE XII: The initial registered office of the Corporation is located at 19 Pleasant Run, Asheville, N. C. 28806, Asheville Buncombe County, North Carolina 28806, and the name of the initial registered agent at such address is Pat Jackson.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this the 10th day of July, 1989.

Pat Jackson (SEAL)
PAT JACKSON

STATE OF NORTH CAROLINA

COUNTY OF BUNCOMBE

This is to certify that on the 29th of October, 1993, before me a Notary Public of Buncombe County, North Carolina, personally appeared PAT JACKSON, who, I am satisfied, is the person named in ad who executed the foregoing Articles of Incorporation, and I have first made known to ~~him~~^{her} the contents thereof, he did acknowledge that he signed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the 29th day of October, 1993.

Douglas O. Thigpen
Notary Public

My Commission Expires:

1-26-97

