

ARTICLES OF INCORPORATION

of

ONE TRYON PLACE ASSOCIATION, INC.

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TERRY L. FARR
SECRETARY OF STATE
NORTH CAROLINA

The undersigned, by these Articles, do hereby associate themselves for the purpose of forming a corporation not for profit pursuant to Chapter 55A of the North Carolina Statutes; the undersigned parties do further certify that these Articles of Incorporation shall constitute the By-Laws, as that term is defined in Sections 47A-18 and 19, North Carolina General Statutes, as amended as of 1980.

ARTICLE 1

REGISTERED OFFICE AND REGISTERED AGENT

The name of the corporation shall be "ONE TRYON PLACE ASSOCIATION, INC." For convenience, the corporation shall be referred to in this instrument as the Association. Its registered office shall be 100 Jervey Road, Tryon, North Carolina 28782, and its Post Office address is 100 Jervey Road, Tryon, North Carolina 28782, or such other place as the Board of Directors may from time to time designate. The registered agent of the corporation is WILLIAM H. MILLER,

ARTICLE 2

PURPOSE

2.1. The purpose for which this Association is formed is to provide for the management and administration of ONE TRYON PLACE ASSOCIATION, pursuant to the requirements set forth in Sections 47A-18 and 19, North Carolina General Statutes, as amended as of 1981, and in accordance with the terms and conditions of the Declaration of Condominium for "ONE TRYON PLACE" which shall be hereinafter recorded in the public records of Polk County, North Carolina, situated upon lands located in Polk County, North Carolina.

2.2. The Association shall make no distributions of income to its members, directors, or officers, except as provided by law.

ARTICLE 3

POWERS

The powers of the Association shall include and be governed by the following provisions, and the provisions of Chapter 47A, of the North Carolina General Statutes as follows:

3.1. The Association shall have all the common-law and statutory powers of a corporation not for profit not in conflict with the terms of these Articles or Chapter 47A, North Carolina General Statutes, or the Declaration of Condominium.

3.2. The Association shall have all of the powers and duties set forth in the Unit Ownership Act, Chapter 47A, North Carolina Statutes, 1981, and

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3.3 All funds and the titles of all properties acquired by the Association and their proceeds shall be held in trust for the members in accordance with the provisions of the Declaration of Condominium, and these Articles of Incorporation.

3.4 The Powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Condominium, these Articles of Incorporation, and the provisions of Chapter 47A, North Carolina General Statutes, as amended as of 1981.

ARTICLE 4 MEMBERS

4.1 The members of the Association shall constitute all of the record owners of the Condominium units in "ONE TRYON PLACE." The membership after termination of the condominium shall consist of those record owners of condominium units who are members at the time of such termination, and their successors and assigns.

4.2 The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to this unit.

4.3 The owner of each unit shall be entitled to cast a vote as a member of this association in the manner and to the extent provided in Article 9.5 of these Articles of Incorporation.

ARTICLE 5 Directors

5.1 The affairs of this Association will be managed by a Board of Directors consisting of the number of directors as determined herein. The number of directors shall not be less than three (3) nor more than six (6). Directors need not be members of this Association.

5.2 Directors of the Association shall be elected at the annual meeting of the membership in the manner determined herein. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided hereinafter.

5.3 The first election of the directors shall not be held until after the Developer, B.L. DeBORD, of Tryon, North Carolina, has closed all the sales of the units of "ONE TRYON PLACE" Condominium, or until the Developer elects to terminate his control of this condominium, whichever occurs first. The directors named in these articles shall serve until the first election of the directors, and any vacancies in their number occurring before the first election shall be filled by the remaining directors. In no event shall the first election of the directors be held later than January 31, 1988, it being mandatory that the Developer, B.L. DeBORD, terminate his control of this condominium no later than December 31, 1987.

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ARTICLE 8
ADMINISTRATIVE RULES AND REGULATIONS

The initial administrative rules and regulations are appended hereto governing the details of operations of this Association and may be altered, amended, rescinded, or modified in the manner elsewhere provided in these Articles of Incorporation.

ARTICLE 9
MEMBERSHIP MEETINGS

9.1. The annual membership meeting shall be held at the office of the corporation at 10:00 o'clock A.M., Eastern Standard time, on the second Friday in January of each year for the purpose of electing directors and transacting such other business authorized to be transacted by the members; provided, however, that if the day is a legal holiday the meeting shall be held at the same hour on the next day that is not a holiday.

9.2. Special meetings shall be held when called by a majority of the Board of Directors or when the President or Vice-President receives a written request from members owning thirty percent (30%) or more of the common areas and facilities as designated with respect to their units in the Declaration of Condominium.

9.3. Notice of all Members Meetings: Notice of all members meetings stating the time and place and the object for which the meeting is called shall be given by the President, Vice-President or Secretary, unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association, and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such notice shall be given by affidavit by the person giving the notice. Notice of the meeting may be waived before or after the meetings.

9.4. Quorum: A quorum at members' meetings shall consist of a majority of the unit owners as that term is defined in Section 47A-3(8) of the North Carolina General Statutes, 1980. If a quorum is present, the acts approved by a majority of the votes present at such a meeting, shall constitute the acts of the members except when approval by a greater percentage of the members is required by the Declaration of Condominium for One Tryon Place, these Articles of Incorporation or the Unit Ownership Act. A majority of the quorum shall be members having not less than fifty-one percent (51%) of ownership of the common areas and facilities of the quorum present at such a meeting of the members.

9.5. Voting Rights: Each member of the Association shall exercise a voting power on all matters equal to such member's undivided ownership interest in the common areas and facilities as set forth in the Declaration of Condominium.

9.6. Designation of Voting Representative: If a unit is owned by one person his right to vote shall be established by the record title to his unit. If a unit is owned by more than one person, or is under lease, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit and filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate signed by the president or vice-president and attested by the secretary or assistant secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote of an unit may be revoked by any owner of an unit. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

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10.2. Removal of Directors: Any director may be removed by concurrence of the members owning eighty-five percent (85%) of the common areas and facilities at a special meeting of the members called for that purpose. The vacancy in the board of directors so created shall be filled by the members of the Association at the same meeting.

10.3. Term of Directors: The term of each director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

10.4. Organization Meeting: The organization meeting of a newly-elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

10.5. Regular Meetings of Directors: The regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

10.6. Special Meetings of Directors: Special meetings of the Board of Directors may be called by the president and must be called by the secretary at the written request of one-third (1/3) of the directors. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

10.7. Waiver of Notice of Directors Meetings: Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

10.8. Quorum of Directors. A quorum at directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation or by the Unit Ownership Act, Chapter 47A, North Carolina General Statutes, as amended as of 1981.

10.9. Adjourned Meetings of Directors: If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present.

10.10. Joinder in Minutes of Meeting by Directors: The joinder of a director in the action of a meeting of the Board of Directors by signing and concurring with the minutes of that meeting shall constitute the presence of such director for the purpose of determining a quorum.

10.11. Presiding Officer at Directors' Meetings: The presiding officer of a director's meeting shall be the Chairman of the Board if such an officer has been elected; and if none, the president shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

10.12. Order of Business at Directors' Meetings: The order of business at director's meetings shall be:

- a. calling of roll
- b. proof of due notice of meeting

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ARTICLE 12

Officers

12.1. Executive Officers: The executive officers of the Association shall be a president, who shall be a director, a vice-president, who shall be a director, a treasurer and secretary all of whom shall be elected annually by the Board of Directors and who may be temporarily removed by the vote of the directors at any meeting. Any person may hold two or more offices except as prohibited by law. The Board of Directors from time to time shall elect other officers and designate their powers and duties as the board shall find to be necessary or desirable to manage the affairs of the Association.

12.2. President: The president shall be the chief executive officer of the Association. He shall have all the powers and duties usually vested to the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of management of the association, to hire and fire all personnel in connection with the administrative maintenance, repair and replacement of common areas and facilities. He shall also preside at all meetings of the membership.

12.3. Vice-President: The vice-president in the absence or disability of the president shall exercise the powers and perform the duties of the president. He also shall assist the president generally and exercise such other powers and perform such other duties as shall be prescribed by the directors. He shall preside at meetings of the membership in the absence of the president.

12.4. Secretary: The secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of all notices to all members and directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records including the Minute Book wherein resolutions shall be recorded of the Association, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the president. The assistant secretary shall perform the duties of the secretary when the secretary is absent.

12.5. Treasurer: The treasurer shall have custody of all property of the association, including funds, securities and evidences of indebtedness. He shall keep the books of the association in accordance with good accounting practices; and he shall perform all other duties incident to the office of treasurer, such as approval of payment vouchers for common expenses of the association.

12.6. Compensation: The compensation of all officers and employees of the Association shall be fixed by the directors. The provision that directors' fees shall be determined by members shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director, or an entity in which a director is interested for the management of the condominium.

ARTICLE 13

Fiscal Management

The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

13.1. Accounts: The receipts and expenditures of the Association shall be credited and charged to accounts under the following classification as shall

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the annual assessment proves to be insufficient, the budget and assessments may be amended as provided in the Declaration.

13.5. Assessments for rents during Foreclosure: The Association shall have a lien for unpaid assessments as provided by the Declaration of Condominium, these Articles of Incorporation and the Unit Ownership Act. In the event a lien for unpaid assessments is foreclosed, the unit owner shall be required to pay a reasonable rental for his unit during the time of foreclosure.

13.6. Acceleration of Assessment Installments Upon Default: If a unit owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the unit owner, and then the unpaid balance of the assessment shall come due upon the date stated in the notice or as stated in the Declaration.

13.7. Assessments for Emergencies: Assessments for common expenses of emergencies that cannot be paid from the annual assessments for common expenses shall be made only after notice of the need for such is given to the unit owners concerned. After such notice, said assessment may be approved as provided in Article VIII of the Declaration.

13.8. Bank Depository: The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the directors.

13.9. Audits. An audit of the accounts of the Association shall be made at least once a year by an outside auditor who shall be a Certified Public Accountant and a copy of the audit report shall be furnished to each member not later than May 1 of the year following the year for which the audit is made.

13.10. Fidelity Bonds: Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the directors, but shall be not less than TEN THOUSAND DOLLARS (\$10,000). The premiums on such bonds shall be paid by the Association.

ARTICLE 15

Parliamentary Rules

Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration of Condominium, these Articles of Incorporation, or the Unit Ownership Act.

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B.L. DeBord

One Tryon Place
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WILLIAM H. MILLER

216 Pacolet Street
Tryon, N.C. 28782

DORIS F. PETTY

216 Pacolet Street
Tryon, N.C. 28782

IN WITNESS WHEREOF, the incorporators have hereunto set their hands and
seals this _____ day of October, 1981.

B.L. DeBORD (SEAL)

WILLIAM H. MILLER (SEAL)

DORIS F. PETTY (SEAL)

STATE OF NORTH CAROLINA

COUNTY OF POLK

BEFORE me, the undersigned authority, personally appeared B.L. DeBORD,
WILLIAM H. MILLER and DORIS F. PETTY, who after being first duly sworn,
acknowledged that they executed the foregoing Articles of Incorporation for
the purposes expressed in such Articles, this _____ day of _____, 1981.

N.P. (SEAL)

My commission expires:

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1. Vestibules, halls, stairways, and other condominium areas and facilities of a similar nature must remain unobstructed, and shall be used only for purposes of normal transit.
2. Vestibules, hallways, stairways, and other condominium areas and facilities of a similar nature shall not be used for storage or placement of any furniture, packages, or objects of any kind.
3. Children shall not be permitted to loiter or play in the vestibules, hallways, stairways, and other condominium areas and facilities of a similar nature.
4. Hanging, cleaning, or beating garments, rugs or the like from or on the windows, terraces, or facades of the building, or in vestibules, hallways, stairways, or other condominium areas of a similar nature is prohibited.
5. Throwing garbage or trash outside disposal intallations provided for such purposes is prohibited.
6. All damage to common elements caused by the moving or carrying of articles therein shall be the responsibility of, and shall be paid for by the owner or person in charge of such articles.
7. No owner, occupant, or licensee shall post their names, or any other notice in any vestibule, hallway, stairway or other condominium area except in places provided therefor.
8. Units shall be occupied and used by their respective owners only as private dwellings for such owners, their families, tenants, and social guests, and for no other purpose whatsoever.
9. No portion of a unit other than the entire unit may be rented, and no unit may be rented for hotel or transient purposes.
10. Residents shall exercise extreme care about making noises or playing music which may distrub other residents.
11. Owners shall not permit or suffer anything to be done or kept in their units which would increase the rate of fire insurance thereon or on the condominium as a whole.
12. No owner, lessee, or licensee shall install wiring for electrical or telephone installation, television antenna, machines or air-conditioning units or the like on the exterior of the project, or which protrude through the walls or the roof of the project except as authorized by Board of Directors.
13. Each unit owner shall promptly perform all maintenance and repair work within his own unit, which if omitted would affect any common elements, any portion of the property belonging to other owners, or the project as a whole, and each unit owner shall be responsible for all damages and liabilities that any failure to maintain or repair may engender.
14. No immoral, improper, offensive, or unlawful use shall be made of condominium property or any part thereof, and each unit owner, at his own expense, shall comply with, perform, and fully satisfy all city, state, and federal laws, statutes, ordinances, regulations, orders, or requirements affecting his unit.

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