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THAD EURE
SECRETARY OF STATE
NORTH CAROLINA

ARTICLES OF INCORPORATION
OF

STONEWOOD HOME OWNERS ASSOCIATION, INC.
I, the undersigned natural person of the age of twenty-one (21) years or more, do make and acknowledge these Articles of Incorporation for the purpose of forming a Non-Profit Corporation under and by virtue of the laws of the State of North Carolina.

ARTICLE I.

The name of the corporation is STONEWOOD HOME OWNERS ASSOCIATION, Inc., herein called the "Association".

ARTICLE II.

The duration of the Association shall be perpetual.

ARTICLE III.

The initial registered office of the Association is 3051 Trenwest Drive, Suite 200, Winston-Salem, North Carolina 27103; and the name of the initial registered agent at said address is Michael C. Atwood.

ARTICLE IV.

PURPOSE AND POWERS OF THE
ASSOCIATION

This 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 residence Lots and Common Area within that certain tract of property as described in Exhibit A attached hereto and made a part hereof, and to promote the health, safety and welfare of the residents within the property described in Exhibit A and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) The Association shall have and exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration of Covenants, Conditions and Restrictions, applicable to the property within the jurisdiction of the Association and that may from time to time be recorded in the Office of the Register of Deeds of Forsyth County, North Carolina, or such other place as may be lawfully provided, said Declaration being incorporated herein by reference.

(b) The Association may fix, levy, collect and enforce payment by any lawful means of all charges and assessments made pursuant to the terms of the said Declaration. The Association shall have the power to pay all expenses in connection with the affairs of the Association, including all licenses, taxes or governmental charges imposed against the property of the Association.

(c) The Association may acquire by gift, purchase or otherwise and hold, own, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of any real or personal property, in connection with the affairs of the Association.

(d) The Association shall have the power to borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(e) The Association shall have the power to dedicate, sell or transfer all or any part of the Common Area 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 an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer.

(f) The Association shall have the power to participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members.

(g) The Association shall have and may exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation law of the State of North Carolina may now or hereafter have to 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

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) on December 31, 1991.

ARTICLE VII.

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of five (5) Directors, who need not be members of the Association. 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>
Michael C. Atwood	9116 Great Meadow Dr., Clemmons, NC 27012
Donna P. Atwood	9116 Great Meadow Dr., Clemmons, NC 27012
Timothy L. Morgan	8188 Steeplechase Cr., Clemmons, NC 27012
Gail Horton Morgan	8188 Steeplechase Cr., Clemmons, NC 27012
Doris D. Parrish	2713 Spring Garden Rd., Winston-Salem, NC 27106

At the first annual meeting the members shall elect 1 director for a term of one year, 2 directors for a term of two years and 2 directors for a term of three years; and at each annual meeting thereafter the members shall elect directors as terms expire or vacancies occur.

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 non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX.

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership.

ARTICLE X.

Name and address of the incorporator is:

<u>Name</u>	<u>Address</u>
Edward R. Green	3051 Trenwest Drive, Suite 200 Winston-Salem, North Carolina

ARTICLE XI.

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common

Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, I, the incorporator of this Association, have executed these Articles of Incorporation this 10th day of December, 1981.

Edward R. Green
Edward R. Green

NORTH CAROLINA)
)
FORSYTH COUNTY)

THIS IS TO CERTIFY that on the 10th day of December, 1981, before me, a Notary Public, personally appeared EDWARD R. GREEN, who I am satisfied is the person named in and who executed the foregoing Articles of Incorporation, and I having first made known to him 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 10th day of December, 1981.

Sherry B. Feil
Notary Public

My Commission Expires:
March 13, 1984

