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Elaine F. Marshall
North Carolina Secretary of State
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ARTICLES OF INCORPORATION

OF

PRESTON WOODS HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapter 55-A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

ARTICLE I

The name of the corporation is PRESTON WOODS HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association."

ARTICLE II

The principal office of the Association is located at 2909 Turner Grove Drive, Greensboro, Guilford County, North Carolina 27455.

ARTICLE III

The address of the initial registered office of the Association is: 2909 Turner Grove Drive, Greensboro, Guilford County, North Carolina 27409, and the name of its initial registered agent of the Association at such address is: Joseph W. Weiss.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the members thereof 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. The purposes and objects of the Association shall be to provide for administration, maintenance, preservation and architectural control of the Lots and Common Area defined in and hereafter subjected to the Declaration of Covenants, Conditions and Restrictions for Preston Woods Townhomes recorded or to be recorded in the Office of the Register of Deeds of Forsyth County, North Carolina, as the same may be amended from time to time as therein provided (hereinafter called the "Declaration"), said Declaration being incorporated herein as if set forth at length. To promote the health, safety and welfare of the residents within that property now or hereafter brought within the jurisdiction of this Association pursuant to the Declaration (the "Property"), the Association shall:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration;

(b) fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Property of the Association;

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

(d) 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) 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 Board of Directors. No such dedication or transfer shall be effective unless an instrument has been signed by at least two-thirds (2/3) of each class of Members agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of Members;

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

ARTICLE V

MEMBERSHIP

Every person or entity who or which 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 voting 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. Such 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 other than the Declarant. Class A Members 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 or votes for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant 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; provided, however, the Class B membership shall be reinstated if thereafter, and before the time stated in subparagraph (b) below, such additional lands are annexed to the Property without the assent of Class A members, pursuant to the provisions of Article XI hereafter, as shall contain Lots sufficient to give the Class B members a total number of votes (with each Lot owned by the Class B members representing 3 votes) to exceed those of the Class A members; or,

(b) on December 31, 2011.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) Directors who need not be members of the Association. The number of directors may be changed by amendment of the Bylaws 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>
Joseph W. Weiss	2909 Turner Grove Drive, Greensboro, NC 27455
John Scott Allred	5 Heathrow Court, Greensboro, NC 27410
Eric P. Handler	1068 W. Fourth Street, Suite A, Winston-Salem, NC 27101

At the first annual meeting the Members shall select one (1) director for a term of two (2) years and two (2) directors for a term of one (1) year; and at each annual meeting thereafter the Members shall elect directors for terms of two (2) years.

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 voting 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

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

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

ARTICLE XI

INCORPORATOR

The name and address of the incorporator is as follows:

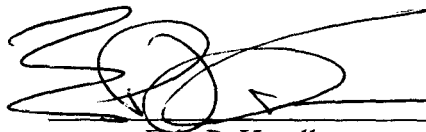
<u>Name</u>	<u>Address</u>
Eric P. Handler	Eric P. Handler, PC 1068 West Fourth St., Suite A Winston-Salem, NC 27101

ARTICLE XII

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, dissolution and amendment of these Articles of Incorporation.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal this 12th day of February, 2008.


_____(SEAL)
Eric P. Handler

INCORPORATOR