

STATE OF
NORTH
CAROLINA



Department of The
Secretary of State

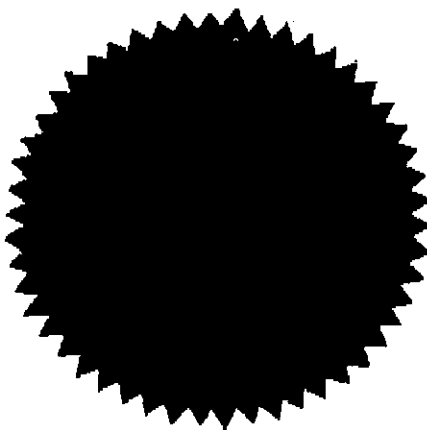
To all whom these presents shall come, Greetings:

I, Rufus L. Edmister, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION
OF
SADDLE CREEK HOMEOWNERS ASSOCIATION, INC.

the original of which was filed in this office on the 9th day of October, 1995.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 9th day of October, 1995.



Rufus L. Edmister

Secretary of State

C-0379633

FILED

8:35 am

OCT 09 1993

ARTICLES OF INCORPORATION

OF

SADDLE CREEK HOMEOWNERS ASSOCIATION, INC. ~~INEFFECTIVE~~RUFUS L. EDMISTEN
SECRETARY OF STATE
NORTH CAROLINA

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 Saddle Creek Homeowners Association, Inc. hereinafter called the "Association."

ARTICLE II

The principal and registered office of the Association is located at 2706 North Church Street, Greensboro, Guilford County, North Carolina, 27405

ARTICLE III

David B. Michaels, whose address is 2706 North Church Street, Greensboro, Guilford County, North Carolina, 27405, is hereby appointed the initial registered agent of this Association.

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 within that certain tract of property described as follows:

Lying and being in Guilford County, North Carolina, and being more particularly described on Exhibit A attached hereto and incorporated herein by reference or so much thereof as may be brought within the jurisdiction of the Association and any additional property which may hereafter be brought within the jurisdiction of this Association (the "Properties");

and to promote the health, safety and welfare of the residents within the above described property, in accordance with the terms and conditions of that certain Declaration of Covenants, Conditions and Restrictions for Saddle Creek (hereinafter called the "Declaration"; unless otherwise defined, capitalized terms shall have the same meaning as set forth in the Declaration), now or hereafter made applicable to the Properties and recorded or to be recorded in the Office of the Register of Deeds of Guilford County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length and for this purpose to:

(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 in accordance with the terms and conditions of the Declaration, 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 or transfer to any public agency, authority or utility non-exclusive easements on, over and upon all or any part of the Common Area for purposes of providing service to the Common Area or the Lots subject to such conditions as may be agreed to by the Association's Board of Directors; provided, however, no such dedication or transfer shall be effective unless an instrument executed on behalf of the Association by its duly authorized officers, agreeing to such dedication or transfer, has been recorded.

(f) in accordance with the terms and conditions of the Declaration, dedicate to any public agency, authority or utility, or transfer to any third party, fee title to all or any part of the Common Area for such purposes and subject to such conditions as may be agreed to by the Members consenting to such dedication or transfer.

(g) 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 the Members entitled to cast at least two-thirds (2/3) of all outstanding votes.

(h) 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

All persons or entities who or which are record owners of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association and Westminster Homes of North Carolina, Inc. (as well as its successors and assigns, if Westminster Homes of North Carolina, Inc. shall make an express conveyance of its developer rights under the Declaration to such successor or assign) shall be voting Members 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.

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 A membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each lot owned by it shown on the Preliminary Site Plan for Saddle Creek approved by the Guilford County Technical Review Committee or other appropriate governmental entity, as that plan is from time to time amended and approved. 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 or exceed the total votes outstanding in the Class B membership; however, the Class B membership shall be reinstated if thereafter, and before the time stated in subparagraph (b) below, the Plan for "Saddle Creek" is amended to add additional lots sufficient to entitle the Class B membership to cast more votes (with the Class B membership casting three (3) votes for each lot owned) than the Class A membership is entitled to cast and the amended Plans are approved by the Guilford County Technical Review Committee or other appropriate governmental authority; or,

(b) eight (8) years from the date the Declaration is recorded in the Office of the Register of Deeds, Guilford County, North Carolina.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors who need not be members of the Association. The number of members of the first Board of Directors shall be three (3). The number of directors on subsequent Boards shall be as set forth in 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>Names</u>	<u>Addresses</u>
David B. Michaels	2706 North Church Street Greensboro, North Carolina 27405
J. Gary Hill	2706 North Church Street Greensboro, North Carolina 27405
Don W. Betsworth	2706 North Church Street Greensboro, North Carolina 27405

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

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by the Members entitled to cast not less than two-thirds (2/3) of all outstanding votes; provided, however, the Association may not be dissolved without Declarant's consent for so long as Declarant owns any Lot or may annex Additional Property pursuant to the provisions set forth in the Declaration. 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 affirmative vote of the members entitled to cast at least seventy-five percent (75%) of the votes of the Association, provided, however, no amendment purporting to revoke or curtail any right herein conferred to Declarant shall be effective unless executed by Declarant, and no amendment relating to the maintenance or ownership of any permanent detention or retention pond shall be effective unless reviewed and approved by the governmental office having jurisdiction for watershed protection.

ARTICLE XI

FEDERAL HOUSING ADMINISTRATION
AND
DEPARTMENT OF VETERANS AFFAIRS APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration ("FHA") or the Department of Veterans Affairs ("VA"), provided that FHA or VA insured loans have been obtained to purchase Lots: annexation of additional properties; mergers and consolidations; mortgaging of Common Area; dissolution of the Association; and amendment of these Articles of Incorporation.

ARTICLE XII

INCORPORATOR

The name and address of the incorporator is as follows:
Donna K. Blumberg, 316 West Edenton Street, Raleigh, North
Carolina, 27603.

IN WITNESS WHEREOF, I, the undersigned incorporator, have
hereunto set my hand and seal, this 5th day of OCTOBER,
1993.


Donna K. Blumberg (SEAL)
Donna K. Blumberg INCORPORATOR

NORTH CAROLINA

GUILFORD COUNTY

THIS IS TO CERTIFY, that on the 5 day of OCTOBER, 1995, before me, a Notary Public, personally appeared Donna K. Blumberg, 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 seal this the 5 day OCTOBER, 1995.



Notary Public

My Commission Expires:

12-13-99

EXHIBIT A

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All of the numbered lots and Common Areas on the plat entitled "Saddle Creek, Phase 1B" recorded in Plat Book 117, Page 133-134 in the office of the Register of Deeds, Guilford County, North Carolina.