

ARTICLES OF INCORPORATION
OF
SADDLEBROOK ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned all of who are residents of North Carolina, or a North Carolina Corporation, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is SADDLEBROOK ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

The principal and registered office of the "Association" is located at 1330 Ashleybrook Lane, Winston-Salem, Forsyth County, North Carolina 27103.

ARTICLE III

D.R. Bryan, Jr., whose address is 1330 Ashleybrook Lane, Forsyth County, North Carolina 27103, is hereby appointed the initial registered agent of this "Association".

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 of maintenance, preservation and architectural control of the residence lots and Common Area within that certain tracts of property described on the map entitled "SADDLEBROOK, PHASE ONE", a copy of which will be recorded in the Office of the Register of Deeds of Forsyth County, North Carolina, and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this "Association" for this purpose:

(a) to exercise all of the powers and privileges and to perform all of the duties and obligations of the "Association" as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and which will be recorded in the Office of the Register of Deeds of Forsyth 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;

(b) to fix, levy, collect and enforce payment 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) to 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) to borrow money and, with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trusts, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) 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 be the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) or each class of members, agreeing to such dedication, sell or transfer;

(f) to participate in mergers and consolidations with other nonprofit 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; and,

(g) to 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 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 follow 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 but provided that Class B membership shall be reinstated if thereafter, and before the time stated in Subparagraph (b) below, additional lands are annexed to the Properties as provided in the and as the result of such annexation, the Declarant, and its successors and assigns, own more than one-fourth (1/4) of the total Lots subject to this Declaration; or,

(b) on December 31, 2000.

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 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:

D. R. Bryan, Jr. 1330 Ashleybrook Lane
Winston-Salem, N.C. 27103

S. Elaine Hudspeth 1330 Ashleybrook Lane
Winston-Salem, N.C. 27103

Judy H. Snyder 3447 Robinhood Road
Winston-Salem, N.C. 27106

**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 nonprofit 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 75 percent (75%) of the entire membership.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned the incorporator has executed these Articles of Incorporation this _____ day of _____, 2000.

_____(SEAL)
D. R. Bryan, Jr.

NORTH CAROLINA, FORSYTH COUNTY

I, _____, Notary Public, do hereby certify that D. R. Bryan, Jr., personally appeared before me this day and acknowledged execution of the foregoing instrument. Witness my hand and official seal, this _____ day of _____, 2000.