

# STATE OF NORTH CAROLINA



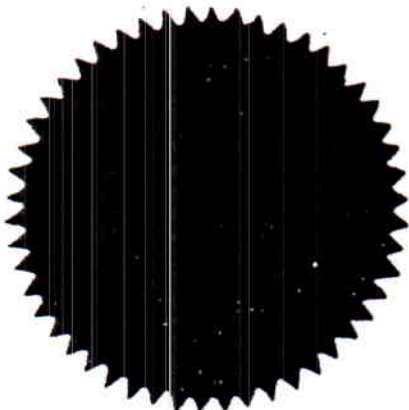
Department of The  
Secretary of State

To all whom these presents shall come, Greetings:

I, ELAINE F. MARSHALL, 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  
THE SALEM CROSSING HOMEOWNERS ASSOCIATION

the original of which was filed in this office on the 30th day of September, 1999.



IN WITNESS WHEREOF, I have hereunto  
set my hand and affixed my official seal at the  
City of Raleigh, this 30th day of September,  
1999.

*Elaine F. Marshall*

Secretary of State

FILED

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SEP 30 1999

**ARTICLES OF INCORPORATION  
OF  
THE SALEM CROSSING HOMEOWNERS ASSOCIATION**

Effective

ELAINE F. MARSHALL  
SECRETARY OF STATE  
NORTH CAROLINA

In compliance with the requirements of Chapter 55A 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 THE SALEM CROSSING HOMEOWNERS ASSOCIATION, hereinafter called the "Corporation."

**ARTICLE II**

The principal and registered office of the Corporation is located at 1332 Salem Crossing Road, Kernersville, Forsyth County, North Carolina, 27284.

**ARTICLE III**

Angie Brockman, whose address is 1332 Salem Crossing Road, Kernersville, Forsyth County, North Carolina, 27284, is hereby appointed the initial Registered Agent of the Corporation.

**ARTICLE IV**

The Corporation does not contemplate pecuniary gain or profit to the members thereof and no part of the Corporation's net income shall inure to the benefit of any of its officers, directors or members or any other private individual. The purposes and objectives of the Corporation shall be to administer the operation, management and repair of the common area, hereinafter referred to as the "Common Area", located on property lying and being in Abbots Creek Township, Forsyth County, North Carolina, known as "Salem Crossing", and more particularly described in the formal Declaration of Covenants, Conditions and Restrictions (hereinafter the "Declaration"), for Salem Crossing, including any additional property annexed thereto, said Declaration being incorporated herein by reference; to undertake the performance of the acts and duties incident to the administration of the operation and management of said Common Area in accordance with the terms, provisions, conditions and authorization contained in these Articles of Incorporation and the Declaration at the time said facilities are submitted to and made a part of the Declaration; and to own, operate, lease, sell, trade and otherwise deal with the Common Area as may be necessary or convenient in the administration of said Common Area.

## ARTICLE V

The Corporation shall have the following powers:

1. The Corporation shall have all of the powers and privileges granted to Non-Profit Corporations under the law pursuant to which this Corporation is chartered, and all of the powers and privileges which may be granted unto said Corporation under any other applicable laws of the State of North Carolina.

2. The Corporation shall have all the powers reasonably necessary to implement and effectuate the purposes of the Corporation, including but not limited to the following:

(a) To make and establish reasonable rules and regulations governing the use of the Common Area as said terms may be defined in said Declaration to be recorded.

(b) To levy and collect assessments against the members of the Corporation to defray the common expense of the Common Area as may be provided in said Declaration and in the By-Laws of this Corporation which may be hereafter adopted, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing and otherwise dealing with said Common Area and in accomplishing the purposes set forth in said Declaration, which shall specifically include the installation, repair, maintenance, replacement and payment of electric bills for decorative street lighting whether or not such lighting is located in the Common Area.

(c) To maintain, repair, replace, operate and manage the Common Area and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvement of the Common Area property, and to make and enter into any and all contracts necessary or desirable to accomplish said purposes.

(d) To contract for the management of the Common Area and to delegate to such contractor all of the powers and duties of the Corporation except those which may be required by the Declaration to have approval of the Board of Directors or membership of the Corporation.

(e) To enforce the provisions of the Declaration, these Articles of Incorporation, the By-Laws of the Corporation which may be hereafter adopted, and the rules and regulations governing the use of the Common Area as the same may be hereafter established.

(f) To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Corporation pursuant to the Declaration.

## ARTICLE VI

The qualification of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

1. The Owners of lots, whether improved or unimproved, in Salem Crossing, who joined in the execution of a Declaration of Covenants, Conditions and Restrictions recorded on September 9, 1999 in Book 2085, Page 1802, Forsyth County Registry, (hereinafter, the "Declaration"), and the owners of all lots, whether improved or unimproved, who in the future submit their Lots to said Declaration, shall be members of the Corporation, and no other person or entities shall be entitled to membership.

2. Membership shall be established by the execution of the Declaration or subsequent submitting of a Lot to the operation of the Declaration, or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his or her being divested of all title to his or her entire fee ownership interest in any lot, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more lots or who may own a fee ownership interest in two or more lots, so long as such party shall retain title to or a fee ownership interest in any lot.

3. The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his lot. The funds and assets of the Corporation shall belong solely to the Corporation subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration and in the By-Laws which may be hereafter adopted.

4. The Corporation shall have one class of voting membership: All Owners of Lots which have been submitted to the Declaration, either by the initial execution of the Declaration or subsequent submission of a Lot to the operation of the Declaration, 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.

## ARTICLE VII

The Corporation 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 Corporation, other than incident to a merger or consolidation, the residual assets of the Corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Corporation 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 VIII

The Corporation shall have perpetual existence.

## ARTICLE IX

The affairs of the Corporation shall be managed by the President of the Corporation, assisted by the Vice-President, Secretary and Treasurer, subject to the directions of the Board of Directors. The Board of Directors, or the President, with the approval of the Board of Directors, may employ a Managing Agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the facilities, and the affairs of the Corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Corporation or a Director or Officer of the Corporation, as the case may be.

## ARTICLE X

The number of members of the first Board of Directors of the Corporation shall be three (3). The number of members of succeeding Boards of Directors shall be as provided from time to time by the By-Laws of the Corporation. The members of the Board of Directors shall be elected by the members of the Corporation at the Annual Meeting of the membership as provided by the By-Laws of the Corporation and at least a majority of the Board of Directors shall be members of the Corporation or shall be authorized representatives, officers or employees of a corporate member of the Corporation.

## ARTICLE XI

The Board of Directors shall elect a President, Vice President, Secretary and Treasurer. The President shall be elected from among the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice-President shall not be held by the same person, nor shall the office of President and Secretary be held by the same person.

## ARTICLE XII

The names and post office addresses of the initial Board of Directors who, subject to the provisions of these Articles of Incorporation, the By-Laws and the laws of the State of North Carolina, shall hold office until the first Annual Meeting of the membership (or until their successors are elected and qualified) are as follows:

1. Angie Brockman  
1332 Salem Crossing Road  
Kernersville, Forsyth County, NC 27284
2. Chris Brooks  
1515 Klompen Road  
Kernersville, Forsyth County, NC 27284
3. Leslie Brooks  
1515 Klompen Road  
Kernersville, Forsyth County, NC 27284

## ARTICLE XIII

The original By-Laws of the Corporation shall be adopted by a majority vote of the members of the Corporation present at a meeting of members at which a majority of the membership is present, and thereafter, such By-Laws may be altered or rescinded only in such manner as said By-Laws provide.

## ARTICLE XIV

Every Director and every Officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Corporation, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Corporation. The foregoing right of

indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

#### ARTICLE XV

An amendment or amendments to these Articles of Incorporation shall require the assent of sixty-six percent (66%) of both classes of the membership.

#### ARTICLE XVI

The name and address of the incorporator is as follows:

Donald M. VonCannon, Attorney  
Allman Spry Leggett & Crumpler, P.A.  
P. O. Drawer 5129  
Winston-Salem, Forsyth County, NC 27113-5129

IN WITNESS WHEREOF, I, being the incorporator, have hereunto set my hand and seal, this the 15<sup>th</sup> day of September, 1999.

  
\_\_\_\_\_(SEAL)  
DONALD M. VONCANNON  
Incorporator